



Department of
Economic Development
and Tourism

ANNUAL PERFORMANCE PLAN

2010/11

WESTERN CAPE



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and Tourism**

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FOREWORD

Throughout the pages of this year's Annual Performance Plan, change has become the action word behind a series of strategies designed to improve the quality of life of communities throughout our Province.

Over the past few weeks, the staff members of this resilient Department have had to re-engineer their mindset, and have proved their ability to think creatively and innovatively.

Self-reflection is never an easy process. However, the Department has embraced it with an open mind and an inclusionary attitude. We have travelled a long road with individuals and organisations outside of the Department (such as business and labour). Together with them, we asked this question: "What should be the role of the Department of Economic Development and Tourism?"

After examining the answers, we put a plan together that will assist us to build our Province into the powerhouse we know it can be. Our future work will be centred strictly on outcomes.

Over the next twelve months, our activity will find its focus in addressing a critical challenge in our Province: unemployment.

In 2009, nearly half a million people in the Western Cape were unemployed.

Our Annual Performance Plan has been designed to tackle this major burden.

Over the coming year, we will strive to see the establishment of 945 new businesses, the expansion of 2 794 existing business, and the facilitation of 5 560 jobs. We will look toward recruiting R73 million worth of new investment, and leveraging R117.5 million in funding. We will increase our marketing efforts as we look toward bringing in 418 200 domestic visitors, and 1 663 223 overseas visitors. Lastly, but of extreme importance, we will strive toward the realisation of R20 million worth of opportunities for small, medium and micro-enterprises (SMMEs).

Of course, we know that putting words to paper is the easy part. As we move forward, we will measure our success on the service that we have provided to our customers, the citizens of the Western Cape.

Eight strategic priorities, plus one strategic goal set by the Premier of the Western Cape ("Increased Inclusive Economic Growth and Employment"), as listed below, will drive the process that will help us achieve these outcomes.

Enterprise Development

Our "RED Door" offices have offered business services in rural areas and townships for some years, but have yet to reach their full potential.

This will now change.

"RED Door" will play a key role in helping Enterprise Development realise its mandate to create an enabling business environment – and help SMMEs thrive in the Western Cape.

As an important driver of economic participation, Enterprise development will focus on the following areas:

- Improving the quality and operational systems of the RED Door; and
- Improving the quality of service offerings at the top end of the informal sector. Here again, the services of the RED Door will be utilised.

In addition to the above, Enterprise Development will drive a Mentorship Programme. There are great possibilities in this area: the Western Cape is a top destination for retired executives. Our intention is to take advantage of this by using the expertise of our "greybeards" to coach and transfer skills to our up-and-coming workforce.

Another area in which we have identified opportunities is with the leveraging of funds in the private sector. We will create an Enterprise Development Fund, which will take the form of a Public Private Partnership to support emerging enterprises in the Western Cape.

Within the area of Local Economic Development, we will set up an Open Architectural Spatial Fund. This fund has been developed so that we have the mobility to respond quickly to innovative and creative opportunities, and it will be managed as per defined criteria.



In order to further encourage job creation, we will continue to focus on the provision of skills training. Our most important intervention in this regard is our Work and Skills for 100,000 Project. We realise that the creation of jobs, especially jobs for youth in socially deprived areas, is a major challenge. We are also mindful of the fact that the Western Cape is moving increasingly towards a job market calling out for skilled workers.

Our intention is to bring public and private stakeholders into one room to ensure that our strategies are aligned.

Sector Development

After much consideration, we have taken the decision to significantly reduce the number of sectors that we will focus on. In the past, the Department adopted an all-encompassing approach, and has found the impact of its work diluted.

Henceforth, we will be focusing on just three sectors: Oil and Gas; Business Process Outsourcing; and Information Communication Technology. Our main interventions in these three sectors will revolve around skills, business support and infrastructure support.

We will look toward partnering with the Special Purpose Vehicles that we have elected not to focus on, but are credible, and therefore able to leverage funding from the private sector too.

The Strategic Initiatives unit has been mandated to focus on the Province's "mega projects". The Saldanha Industrial Development Zone (IDZ) Project. Boatbuilding and the Cape Town port are critical aspects here.

Business Regulation

Within Business Regulation, we will focus on ensuring that there is a new model for the advice offices that fall under the auspices of the Office of the Consumer Protector (OCP).

We will investigate bringing the services offered by the advice offices in-house, rather than outsourcing them. We believe that this will improve the quality of the OCP's services.

We will also launch major interventions in the areas of consumer education and awareness. An OCP, under the total control of the Department, will introduce exciting changes.

With regard to the Liquor Board, we will finalise the process of registering it as a public entity so that the transformation of the industry can be accelerated.

Economic Planning

In the coming year, we will build a dedicated, specialised, research capacity within this Programme.

We also want to ensure that we have a proper monitoring and evaluation capacity, and will put that in place.

Tourism, Arts and Entertainment

Our Tourism, Arts and Entertainment Programme will focus on three core areas:

- An events strategy (with Cape Town Routes Unlimited (CTRU) being the focal point). This is also aligned to the Premier's Strategic priorities;
- Large-scale tourism developments; and
- Commercialisation of the creative industries, through investment recruitment efforts in the film sector.

I would like to express my sincere appreciation to the Department of Economic Development and Tourism, who have worked hard under an enormous amount of pressure to come up with plans that will see the Western Cape grow over the coming year. As long as we can remain on our toes and pioneer innovative projects, we will become the centre of research and development in our country.

Executive Authority of the Department of Economic Development and Tourism

OFFICIAL SIGN-OFF

It is hereby certified that this Annual Performance Plan:

- Was developed by the management of the Department of Economic Development and Tourism under the guidance of Minister Alan Winde
- Was prepared in line with the current Strategic Plan of the Department of Economic Development and Tourism
- Accurately reflects the performance targets which the Department of Economic Development and Tourism will endeavour to achieve given the resources made available in the budget for 2010/11.



Signature: _____

Mymoena Abrahams

Chief Financial Officer



Signature: _____

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Head Official responsible for Planning



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John Peters

Accounting Officer

Approved by:



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Alan Winde

Executive Authority



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PART A : Strategic Overview

1. Updated situational analysis

1.1 Performance delivery environment

The global economy has been mired in the most severe recession since the Second World War. The International Monetary Fund (IMF) has forecasted growth of -1.4% for the world economy in 2009, which would represent the first negative growth rate for the global economy since 1946. Huge excesses of indebtedness on the part of households and financial institutions in several leading industrialised countries stemming from decades of low real interest rates and financial diversification spurred by the growth of financial derivatives, contributed towards a huge meltdown of asset prices in the second half of 2008.

The original source of the downturn and the excess levels of debt accumulated over the years is to be found in the United States economy. However, the decline in the ability of European and Asian economies to export in the face of low levels of global demand for products, has also resulted in many of these economies suffering declines as severe, if not more severe, than the slump in the US economy. On the whole, advanced economies are expected to contract by almost 4% for the year 2009. Furthermore, the decline in demand for raw materials, resulting from the global slump, has caused commodity prices to plummet and has eroded export revenues of many emerging markets. This is contributing towards sharp reductions in their economic growth as well.

As a result of this, South Africa felt the full brunt of the global crisis as our economy slid into its first recession in 17 years. This slide has not been surprising bearing in mind the development of a high correlation between domestic economic growth and global economic growth over the past 15 years. In fact, expectations of domestic economic growth for 2009 and 2010 have been downgraded progressively over the past six months in perfect tandem with a corresponding downward revision of global economic growth prospects for these two years.

Essentially, the greater than expected depth of recession in the global economy, and in particular in advanced economies, has reduced the demand for raw and processed materials also by much more than expected. In turn, this has negatively affected South Africa's export performance, given the economy's specialisation in extracting or processing minerals for export. The result has been that the domestic mining and manufacturing sectors have been especially hard hit, with

certain industries experiencing declines in demand of between 30% and 60%.

Specifically, in the manufacturing sector, which has been recording double-digit negative growth, it has been evident that the bulk of the decline in activity has been focused on two broad industries, viz. automotive and metal processing. If one excludes these two industries from calculations, one notices that the downturn in the manufacturing sector has been nowhere near as severe as the aggregate figure suggests. Nonetheless, it is evident that the slide in economic growth has progressively permeated most sectors of the economy, even if not as severely as the mining, automotive and metals processing industries.

Within the **Western Cape economy**, the global turmoil has already impacted significantly on many of our key sectors, although the implications are complex, in certain cases the crisis has even benefited a number of our industries in the Province.

However, the 2008 and 2009 economic forecasts for the Western Cape by the Bureau for Economic Research (BER) has been significantly marked down from 4.6 per cent and 5.3 per cent projected in June 2007. The most recent forecast indicate that the provincial economy will grow by 3.5 per cent and 1.1 per cent in 2008 and 2009 respectively. Moderate improvements in the trend in Gross Domestic Product (GDP) are projected from 2010 onwards. The moderate improvements are in line with the recent trends in the global economy, which has seen signs of stabilisation in recent months as a result of the world's leading economies embarking upon unprecedented fiscal and monetary stimulus.

However, there is a real fear that the unprecedented magnitude of fiscal and monetary stimulus is set to generate problems in the longer term. Governments of many leading economies are running up huge debts, which will have to be accounted for in time to come. As reflected by the fact that there was an increase in global long-term interest rates until recently, fears of potential inflationary pressures have resurfaced in due course. Therefore, there is a real possibility that the anticipated recovery over the coming year or two might not be sustained and that, in any case, that recovery will not be particularly vigorous. One needs to reflect on the fact that there remains an enormous hangover of household, as well as financial debt incurred over the past two decades, which needs to be washed out before global economic growth resumes at anywhere near the pace achieved in



recent decades. Moreover, the millions of jobs currently being destroyed are also likely to hold back the strength of economic recovery for some time to come.

Regarding employment in the Western Cape, one should remember that in the same way as there was disappointment with the inability of the economy to create jobs at a rate commensurate with the pace of economic growth during the boom times between 2004 and 2007, there might be countervailing surprise at the unexpectedly low number of jobs lost during the economic downturn. This is because the main area of job creation in recent years has been in respect of functions which require a relatively high level of skill. There has been a relative scarcity of such skills and employers have had difficulty finding them in an economy characterised by an acute paucity of skills. It is for this reason that it has been so difficult to reduce unemployment. However, this also means that there has been an increasing strain on those involved in mainstream economic activity, who possess such skills. Employers are aware of the dangers of replenishing such skills in an economic upturn if they were to lay off such employees during the downturn. As a consequence, there is likely to be considerable reticence to retrench during the downturn.

It is against this backdrop of uncertainty that the Department will continue to take the lead in driving economic growth and skills development.

Arguably, skills development has never been more important than it is today in this time of financial crisis. At the same time, society faces massive global challenges that extend well beyond the economy.

Hence, we believe a proper focus on skills development in the workforce will provide a way forward for solving the global challenges of the 21st century, building sustainable development, creating jobs, generating renewed economic growth and advancing human welfare.

1.2 Organisational environment

The Western Cape economy has been performing at growth rates that substantially exceed the averages for South Africa. A key contributor to this phenomenon is the diverse nature of the economy, consisting of a wide range of competitive niche industries, occupied mostly by medium and small companies. With the effects of the global recession becoming ever more prevalent in South Africa, the diversity of the Western Cape economy has helped the region to be more resilient to the crisis than it would have been if the region had been dependant on one or two more dominant sectors, such as mining.

Despite the Province faring slightly better than South Africa in terms of the widening gap between the rich and the poor, in aggregate, the level of inequality in the distribution of income in the Province is getting worse. Our Gini coefficients still remain high by international standards. We are therefore faced with the situation of a growing economy with participation rates below that which can contribute significantly to prosperity for all in the Province. In not addressing participation, sustainable growth comes under threat.

Given the above, the Department's approach to meeting the challenges head on, is grounded in the provincial Micro-economic Development Strategy (MEDS) which shapes the development of policy, strategy and practical interventions. Delivery in any sector is against the following main themes: Growth, Global Competitiveness, Participation, Skills Development, Conducive Fair Business Environment and Economic Planning.

At the heart of the MEDS, the international best practice with respect to "clustering" has been followed. This has been defined by Stuart Rosenfeld as *"a geographically bounded concentration of similar, related or complementary businesses, with active channels for business transactions, communications and dialogue that share specialised infra-*

SUMMARY OF GROWTH VARIABLES. Source: STATS SA and BER August 2009

	2007	2008(e)	2009 (f)	2010(f)	2011 (f)	2012 (f)
G7 Real GDP Growth (%)	2.2	0.0	-3.8	0.6	0.9	-0.3
S.A. Real GDP Growth (%)	5.1	3.1	-2.0	2.9	3.6	3.9
WC Real GDP Growth (%)	5.8	3.5	-1.1	2.7	4.4	4.7

structure, labour markets and services and that are faced with common opportunities and threats.”

A further key contributor to the Department fulfilling the aims of MEDS is the link to increasing economic participation. Skills development and small business development are the main means of ensuring that participation, by especially the previously disadvantaged, is significantly increased.

To this end, the Department has aligned its organisational structure in three core component:

- Being sector based;
- Being theme based; and
- Ensuring that the economy provides a fair and conducive business environment.

This can be easily understood by Figure 1 below

As depicted above, the Department needs to create strategic partnerships to meet its challenges with the necessary vigour required. This is evident from the limited resources, both financial and human capacity, at our disposal.

The nature of the programmes and projects of the Department does not lend itself to being delivered directly by the Department. Extensive use is therefore made of implementing agents. These implementing agents comprise public entities, sector-specific special purpose vehicles (SPVs) and private sector service providers. Taking guidance from the “clustering” best practice, the Provincial Government of the Western Cape has a number of formal industry partnerships in the form of Sector Bodies or Special Purpose Vehicles across key sectors of the economy. These Sector Bodies are Section 21 companies which are dedicated to development and growth

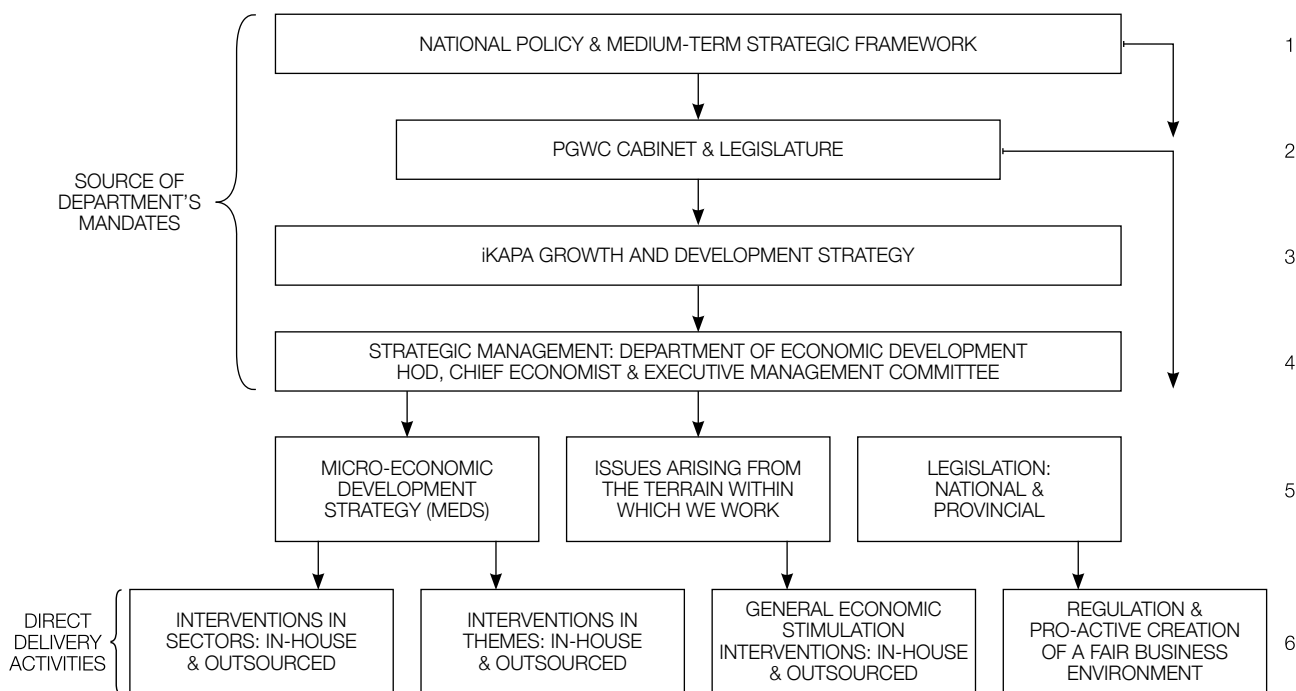


Figure 1: Model for the reorganised Department to meet delivery against set mandates

of the industry. Because membership to the sector bodies is open (as opposed to industry associations which have closed membership), they provide a platform for dialogue between the various stakeholders: Government (local, provincial and in certain cases national), academia, private sector (large and SMEs), labour and where relevant, civil society. Many of their functions are focused on improving the competitive foundations across the sector to allow growth and job creation to be maximised. Specific firm level support is focused on SMMEs and transformation initiatives. However, project conceptualisation, planning and monitoring and evaluation remain the domain and responsibility of the Programme.

1.3 Description of the strategic planning process

In developing the Department's upcoming Five Year Strategic Plan and subsequent Annual Performance Plan a comprehensive approach was followed. Given that nationally and provincially we are entering a new electoral cycle (national and provincial elections were held in April 2009), the need to revise and amend the planning frameworks has taken on increasing importance. The new political principals election manifesto needs to be incorporated in the strategies of the Department.

In developing the Five Year Strategic Plan and Annual Performance Plan, the Department followed a five phase approach, which consisted of the following:

- Setting the scene;
- Strategy formulation;
- Strategy input;
- Allocation of resources; and
- Formal approval.

During the "Setting the scene" phase, the Department conducted extensive evaluations of both national and provincial mandates and the MEDS documentation. The Provincial goals were assimilated and areas of emphasis, where intervention by the Department was sorely needed either through market failure or perceived mandate of the Department, were investigated.

This phase was also characterised by the comprehensive SWOT analysis where both internal and external factors affecting the Department was taken into account and where goals and strategic objectives for the Department were set.

The second phase in the process involved the assimilation of the above and the development of a discussion document noting the above constraints and imperatives and developing areas of possible intervention.

The gaining of inputs from all stakeholders/role players including political principals, sister departments (such as Provincial Treasury and the Department of the Premier), the business community and civil society characterised the third phase of the planning process. During this phase, key inputs were received regarding strategy formulation and the prioritisation of Departmental services on offer. Critical to this phase was the honing in on development of concepts such as focus, developing partnerships and ensuring value for money through the crowding in of additional resources.

The fourth phase of the strategic planning process involved the allocation of resources available to the Department. It should be noted that this phase did not only review financial resources, but also took the human capital available to the Department into account. This phase involved the MEC responsible for the Department, as well as the senior management responsible for the smooth running of the Department.

The fifth and final chapter in the planning process was the finalisation and approval of the Department's Five Year Strategic Plan and Annual Performance Plan. The key role-player in this phase are the political principals, the MEC responsible for the Department, as well as the Accounting Officer for the Department.

Revisions to Legislative and other mandates

There have been no significant revisions to the Department's legislative and other mandates.

2. Overview of 2009/10 budget and MTEF estimates
2.1 Expenditure estimates

Sub-Programme	Audited outcomes						Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12		2012/13		
R thousand										
1. Administration	20 689	21 071	26 960	25 779	25 370	26 966	28 297			
2. Integrated Economic Development Services	48 746	66 069	42 803	82 177	68 461	71 728	74 977			
3. Trade and Sector Development	38 887	40 456	87 049	54 458	54 742	61 121	64 004			
4. Business Regulation and Governance	10 272	11 427	15 286	20 412	20 793	22 302	23 757			
5. Economic Planning	2 110	3 262	5 845	10 250	9 887	10 897	11 866			
6. Tourism, Arts and Entertainment	54 794	60 912	51 978	71 390	62 225	64 983	67 779			
Subtotal	175 498	203 197	229 921	264 466	241 478	257 997	270 680			
Economic classification										
Current payments	67 817	81 797	94 531	105 767	111 718	125 957	135 580			
Compensation of employees	30 372	36 488	51 325	61 086	77 452	81 924	86 557			
Goods and services	37 445	45 309	43 206	44 681	34 266	44 033	49 023			
of which:										
Assets<R5000	710	628	1 367	969	369	430	500			
Audit Cost External	720	1 041	1 752	2 099	1 750	1 930	1 990			
Communication	1 139	1 805	1 911	1 156	1 396	1 545	1 695			
Cons/prof Business and advisory services	17 516	24 943	16 380	27 736	18 961	27 201	30 893			
Agency and support/outsourced services	2 208	2 448	2 013	2 688	1 920	2 000	2 050			
Entertainment	28	43	48	125	145	168	175			
Inventory: Stationery and Printing	617	499	692	394	431	540	640			
Lease Payments	2 328	2 501	2 561	256	501	545	615			
Transport provided departmental activity		235	10							
Travel and subsistence	2 944	3 199	3 702	3 119	2 413	2 530	2 690			
Training and staff development	1 007	880	993	652	750	855	960			
Venues and facilities	1 871	1 019	1 428	329	375	440	480			
Printing and publications										
Other	6 357	6 068	10 349	5 158	5 255	5 849	6 335			
Transfers and subsidies to:	105 087	118 411	132 367	157 068	129 260	131 270	134 270			
Provinces and municipalities	511									

Sub-Programme	Audited outcomes				Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13
R thousand								
Departmental agencies and accounts	39 341	41 474	58 796	65 362	51 640	53 650	55 650	
Universities and technikons	2 650	150	187	818	140	140	140	
Public corporations and private enterprises	32 100	40 261	34 755	48 700	48 500	50 500	52 500	
Foreign governments and international organisations								
Non-profit institutions	30 481	36 522	38 629	42 188	27 370	26 970	25 970	
Households	4	4			10	10	10	
Payments for capital assets	2 547	2 972	2 906	1 631	500	770	830	
Buildings and other fixed structures								
Machinery and equipment	2 547	2 943	2 899	1 631	500	770	830	
Cultivated assets								
Software and other intangible assets		29	7					
Land and subsoil assets								
Payments for financial assets	47	17	117					
Total	175 498	203 197	229 921	264 466	241 478	257 997	270 680	



Relating expenditure trends to strategic goals

Lessons learned from the global economic downturn experienced in 2009 have shown that the effective, efficient and economical use of resources is of ever greater importance. It has also burst the bubble on the notion that Government resources are limitless. Thus, it has become ever more important that Government, and more specifically this Department, refocuses its resources to ensure that a greater depth and focus of intervention is achieved.

To this effect, the allocation received via the Provincial Treasury, as part of our equitable share, has been significantly reduced and as such it is imperative that the Department finds ways of doing more with less.

Over the past number of years that the Department has been in existence, a significant amount of resources has been allocated to strengthening and ensuring the institutionalisation of the Department. With this came the need to ensure that credible information about the Western Cape economy is collected and suitable intervention strategies are formulated that are based on sound, independent research and data. To this effect the MEDS process was born, providing the sound building blocks for the interventionist stance that the Department needed to pursue.

It should be noted that, given the limited resource envelope available to the Department, the Department needed to ensure a focussed, resource driven approach to the allocation of resources that would ensure significant spread and depth of its interventions. To this end, interventions undertaken and approved by the Department needed to conform to the criterion of ensuring value for money. Interventions also needed to be partnership driven, and it needed to ensure the crowding in of additional resources, either from the private sector or other Governmental institutions.

In setting goals for the new electoral cycle period for the coming five years, the Department will strive to create opportunities for businesses and citizens to grow the economy and employment. This being said, the Department will need to facilitate the acceleration of economic and employment growth and sustainability through increasing jobs which are facilitated and/or sustained, increasing value of investment and trade and increasing value of economic infrastructure.

To this end, the Department identified the need to ensure greater focus of interventions; improve value for money in terms of economy; efficiency and effectiveness; become more partnership driven; and improve its ability to crowd in additional resources and investment.

It is apparent that the Department has prioritised its services to respond to the financial constraints experienced. This is

emphasised by the reduction of outsourced services to the tune of 68% or R21, 520 million. This reduction in outsourced services is testimony to the imperative of seeking value for money and the need to develop and nurture partnerships within Departmental activities. Further confirmation of the need to focus Departmental interventions is noted in the reduction in the number of projects undertaken by the Department. This was reduced from 108 in 2009/10 to 33 in the 2010/11 financial year.

For the upcoming period, Programme 2: Integrated Economic Development Services (IEDS) will link its activities to the strategic goal of the Department by reducing the number of small scale projects and focussing on larger scale projects. This will add a significant impact to the objective of increasing the participation in the Western Cape economy. To this end, the Programme will focus on obtaining increased levels of funding from municipalities for services related to the RED initiative, such as the mobile RED Door project. The Economic Empowerment unit within the Programme will focus especially on procurement opportunities. The Regional Local Economic Development unit will increase its hands on support offered to municipalities and the rollout of larger scale rural economic development projects through an open architecture fund. This will ensure the partnership-driven approach and improve their ability to crowd in additional resources.

Within the Trade and Sector Development Programme a complete review of sector support interventions was undertaken. For the upcoming period, the Programme will focus the bulk of its available resources on 3 sectors, with intense support emphasis on skills, business support and infrastructure. The funding of non-priority sectors will be limited to operational support with a view to developing an exit strategy for funding.

Programme 4: Business Regulation and Governance activities will be geared towards improving the quality of services provided through the Advice Offices that are maintained by the Department. To this end, a new model for funding and supporting Advice Offices has been developed.

Programme 5: Economic Planning will focus on improving its in-house research capacity and building its internal expertise, as oppose to outsourcing.

Finally, the Tourism Arts and Entertainment Programme will refocus its interventions significantly on the three core areas of large scale tourism development projects, skills development and enterprise development. Within the Marketing of the Western Cape functions, Cape Town Routes Unlimited (CTRU) funding will be greatly reduced, focussing on their in-house capacity functions and City-Province agency funding.



PART B : Programme and Subprogramme Plans

PROGRAMME 1: ADMINISTRATION

Purpose

To provide strong, innovative leadership, and to deliver clean, efficient, cost effective, transparent and responsive corporate services to the Department.

Programme structure

The Programme is structured as follows:

- Sub-programme 1: Office of the Head of Department
- Sub-programme 2: Financial Management
- Sub-programme 3: Corporate Services

Performance delivery environment

As noted in the Five Year Strategic Plan, it is incumbent upon the Administration Programme to offer a world class corporate services function – including Financial Management and Communication services to the entire Department. This corporate services function is to be delivered in a manner that espouses the principles as enshrined in chapters 10 and 13 of the Constitution of the Republic of South Africa (Act 108 of 1996), which compels all spheres of Government to ensure that the principles of a high standard of ethics is promoted and maintained and that efficient economic use of resources is promoted. According to this Act the state should also be encouraged to be development-orientated, ensure transparency, and accountability.

To enable the Programme to deliver an effective service to the Department, the Programme was essentially divided in two main components excluding the office of the Head of Department. These components are Financial Management which is responsible for all financial issues within the Department including Management Accounting, Supply Chain Management, Departmental Accounting, Internal Control and the Communications function.

With the King Report on Corporate Governance (King III) on the brink of release and the pronounced assertion by the Department's auditing stakeholders of their focus shift from compliance testing to performance measurement, this strategy is the Department's deliberate action to address any existing inefficiencies in terms of financial governance structures and accurate performance measurement tools.

Public financial management concerns the effective management of the collection and expenditure of funds by Governments. As societal needs will inevitably be greater than the resources available to Government, all public resources must be used as efficiently as possible with a minimum of Government wastage. Efficient public corporate management is central to creating a relationship of mutual trust and shared consensus between Government and citizens, which is at the

core of the development process of this strategy.

To progress to the next level the Department must not only maintain this compliant environment (level 3), but also seek to add value in administering scarce public resources. Thereby resources will be allocated more effectively and efficiently (level 4).

There is a great need to modernise the public sectors financial and human resource systems. To this end, the Department will require a review of all its policies and procedures to ensure that it is at the cutting edge of corporate governance.

This need is ever more critical considering the move from cash based accounting to accrual accounting. It is anticipated that within the coming strategic planning cycle all national and provincial state departments will need to migrate their financial systems to accrual accounting. This move will require the successful implementation of an integrated financial management system, as well as the necessary accountancy skills within the Department.

The goal of Financial Management is to achieve the highest standards in financial governance. That being said, it is imperative that the Department maintains its current rating as a level 3 organisation and implements strategies that will migrate it to a level 4 in the 6 level financial management capability model, as adapted by the Office of the Auditor General South Africa.

To deliver on the strategy in an effective and efficient manner, Financial Management has been organised into four divisions namely: Management Accounting, Supply Chain Management, Departmental Accounting and Internal Control.

Implementing the strategy demands effective public financial management that is imbued with transparency and accountability measures to achieve level 4 capability status. Experience however, shows that financial resources are scarce, with access being uneven. More challenging is the difficult task of mobilising the will and commitment required to create a governance friendly environment, involving all stakeholders at the planning, execution and evaluation stages of development. This will be achieved through:

- The provision of an effective budget management system, which ensures value for money through the constant search for economy in expenditure, reporting of performance information, explicit recognition of revenue constraints and the enforcement of budget disciplines. To assist the Department in maintaining level 3 and reaching level 4 financial capability, Management Accounting will:
 - Develop a standard template to evaluate Programme

inputs for the Medium Term Expenditure Framework (MTEF) process;

- Initiate measures to assist the Programme managers in quantifying the Annual Performance Plan;
- Develop performance indicators in order to clearly link actual performance reported on in the Annual report;
- Ensure the quarterly reporting process is effective and efficient to enable it to be utilised as a sound management tool: and
- Develop a costing tool that will facilitate the costing of each activity of projects undertaken by the Department.

In summary, the Management Accounting unit will focus the Department on intensive and effective planning, allocation of resources and a budgeting process that is transparent and inclusive.

- Ensuring an efficient and effective procurement and provisioning system exists and is maintained in the Department. It must ensure the provision of strategic guidance in the implementation of supply chain management, while supporting the principles of empowerment, equal opportunities and transparency in procurement processes. The mandate of the unit may be summarised as procuring the right product or service, in the right quantity, at the right time and at the right price.

In order to achieve this, the business unit will vigorously address and elevate their demand management processes, value for money initiatives and contract monitoring mechanisms. The unit is uniquely positioned to prevent inappropriate spending of Government funds and, as such must assert a strong position when confronted with these issues. In order to attain level 4 capability status, this business unit must ensure that all current processes are functional and controlled (level 3) and initiate the following key interventions:

- Enhance all working documents (templates, checklists) to reduce existing gaps and ensure the provocation of performance rather than compliance information;
- Intensify planning in terms of a needs analysis performed for assets to circumvent fruitless and wasteful expenditure;
- Increase safeguarding measures to secure assets and ensure the reduction in thefts and losses;
- Institute measures that assists the Department in procuring quality services/products;
- Drive contract management and related interventions in this area; and
- Ensure that service level agreements reflect clear deliverables which will aid effective contract management.

- The delivery of an effective and efficient financial service and ensuring that the Department maintains healthy accounting practices. The Financial Accounting unit will also deliver on numerous other services which will all factor into the aforementioned overarching service. These services do however, provide foresight into the necessity and nature of the level 4 interventions that the business unit will undertake. These include the preparation and presentation of the financial position of the Department, the processing of miscellaneous payments, the handling of state money, a salary administration function, management of the debt system and maintaining an effective systems control function.
- The Internal Control business unit as the name implies, must ensure that all processes and functions are operating in a controlled environment. To maintain such an environment demands consistent attention as changes to processes (new interventions) must also be controlled and measured for effectiveness.

The unit, in responding to the requirements of progressing to level 4 capability, plays a critical role: that of infusing the level 4 capability interventions with measures of credibility and quality assurance. More value-adding interventions undertaken by the unit include auditing of performance information and providing recommendations, based on scientific analysis, on the systems required to produce quality performance information. The latter intervention is directly linked to assisting the former. The ultimate aim of auditing of performance information is to provide assurance to all stakeholders that public funds are invested in projects that create public value. An associated benefit is the integrity of information published by the Department.

Another endeavour undertaken by the unit is value for money audits, which is congruent to the Auditor General's shift in focus and ensures the unit's status as the Department's buffer against qualified reports and disclaimers.

The Department's communication strategy is aimed at engaging the internal employees, as well as the public, through marketing campaigns, imbizo cycle programmes, web portals, walk-in centres, pamphlets and other media. This contact will maintain a strong level of dialogue between the Department, its clients and potential clients.

The increasing demand on the Department to deliver an effective communication service resulted in the research of global best practice standards to enhance service delivery.

The Communications unit will provide uniformity in communicating the Departmental initiatives, successes and challenges to internal and external clients and stakeholders.

Strategic Objective	Maintain level 3 and attainment of a level 4 Financial Management Capability
Objective Statement	The identification and implementation of strategic interventions to assist the Department to attain and maintain a level 4 financial management capability level described as the Efficient, Economical and Effective utilisation of Departmental resources to deliver on strategic objectives.
Baseline	The Department is currently maintaining a level 3 financial management capability level described as the implementation of an effective control environment.
Justification	The concept of value for money has become an integral part of the strategic and operational activities for Government. The identification and implementation of interventions to assist departments achieve value for money will improve service delivery, eliminate wasteful allocation of resources and enhance public confidence.
Links	This objective is linked to the Constitution of South Africa, Public Finance Management Act (PFMA), National Treasury Regulation (NTRs), Provincial Treasury Instructions (PTIs), State of the Province address

Sub-programme 1.2 Financial Management							
Strategic objective annual targets for 2010/11							
Strategic objective (outcome indicator)	Audited/Actual performance		Estimated performance	Medium-term targets			
	2006/07	2007/08		2008/09	2009/10	2010/11	
1. Financial capability model rating	2.7	3	3	3.4	3.6	3.8	4

Performance indicators and annual targets for 2010/11							
Provincial performance indicators							
Programme performance indicator	Audited/Actual performance			Estimated performance	Medium-term targets		
	2006/07	2007/08	2008/09		2009/10	2010/11	2011/12
1.1 Percentage compliance to the implementation framework					70	80	90
1.2 Vacancy rate					Less than 5 percent	Less than 5 percent	Less than 5 percent
1.3 Number of financial efficiency interventions implemented					4	5	6
1.4 Actual expenditure as percentage of adjusted budget				99%	99%	99%	99%
1.5 Average monthly deviation from monthly cash flow forecast				20%	10%	7%	5%

Programme performance indicator	Audited/Actual performance				Estimated performance	Medium-term targets		
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13
1.6 Number of YMs submitted by PT due date				12	12	12	12	
1.7 Number of QPRs submitted by PT due date				4	4	4	4	
1.8 Ratings received from Internal Control against Level 4 criteria		2	2	3	3.2	3.4	3.6	
1.9 Updated Financial Manual					100% updated Financial Manual	100% updated Financial Manual	100% updated Financial Manual	
1.10 Percentage accuracy and completeness of Asset Register	100	100	100	100	100	100	100	
1.11 Average number of days for the processing of payments to creditors	Payment to creditors within 30 days	Payment to creditors within 30 days	Payment to creditors within 30 days	Payment to creditors within 15 days	Payment to creditors within 15 days	Payment to creditors within 12 days	Payment to creditors within 10 days	
1.12 Unqualified Audit report with no other matters on compliance and performance	Unqualified with other matters	Unqualified Audit report with no other matters	Unqualified Audit report with no other matters	Unqualified Audit report with no other matters	Unqualified Audit report with no other matters	Unqualified Audit report with no other matters	Unqualified Audit report with no other matters	
1.13 Percentage of Internal Control recommendations implemented to achieve level 4 (Value for money Audits)				50%	100%	100%	100%	
1.14 Number of Auditing of Performance Information reports	15 reports	15 reports	18 reports	18 reports	18 reports	18 reports	18 reports	

Quarterly targets for 2010/11						
Provincial performance indicators						
Performance indicator	Reporting period	Annual target 2010/11	Quarterly targets			
			1st	2nd	3rd	4th
1.1 Percentage compliance to the implementation framework	Annually	70				70
1.2 Vacancy rate	Annually	Less than 5 percent				Less than 5 percent
1.3 Number of financial efficiency interventions implemented	Annually	4				4
1.4 Actual expenditure as percentage of adjusted budget	Annually	99%				99%
1.5 Average monthly deviation from monthly cash flow forecast	Quarterly	10%	10%			10%
1.6 Number of IYMs submitted by PT due date	Quarterly	12	3	3		3
1.7 Number of QPRs submitted by PT due date	Quarterly	4	1	1		1
1.8 Ratings received from Internal Control against Level 4 criteria	Annually	3.2				3.2
1.9 Updated Financial Manual	Annually	100% updated Financial Manual				100% updated Financial Manual
1.10 Percentage accuracy and completeness of Asset Register	Quarterly	100%	100%			100%
1.11 Average number of days for the processing of payments to creditors	Quarterly	Payment to creditors within 15 days	Payment to creditors within 15 days	Payment to creditors within 15 days		Payment to creditors within 15 days
1.12 Unqualified Audit report with no other matters	Annually	Unqualified Audit		Unqualified audit		
1.13 Percentage of Internal Control recommendations implemented to achieve level 4 (Value for money Audits)	Annually	100%				100%
1.14 Number of Auditing of Performance Information reports	Quarterly	18	6	6		6

Sub-programme 1.3 Corporate Services

Strategic Objective	To ensure horizontal and vertical alignment of the Departmental Communication Strategy to adequately inform and empower the people of the Western Cape by providing access and connectivity of Departmental activities
Objective Statement	To achieve awareness rating by potential beneficiaries of the Department by 70% or higher
Baseline	No current baseline
Justification	The process of communication is a two way process that involves consultation with the recipients of information and to provide adequate answers to their queries
Links	Link to national/ provincial and departmental policies and strategies

Strategic objective annual targets for 2010/11

Communication		Audited/Actual performance		Medium-term targets				
Strategic objectives		2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
1.1	Awareness rating					60%	65%	70%

- The Department has developed communication strategies and campaigns to promote a sustainable, growing, labour-absorbing and competitive economy. The unit will provide an effective and efficient communication and marketing service to the Department and its stakeholders through events, publications, access to web-based information and other media. The communication strategy aims to:
- Ensure that communication within the Department is managed in a coherent, coordinated and consistent manner to enable effective Government-citizen dialogue;
 - Provide uniformity in communicating departmental messages, initiatives, successes and challenges;
 - Provide effective internal and external communication services; and
 - Ensure continued dialogue between the Department and its stakeholders.

Performance indicators and annual targets for 2010/11									
Programme performance indicator	Audited/Actual performance			Estimated performance	Medium-term targets				
	2006/07	2007/08	2008/09		2009/10	2010/11	2011/12		
2.1			20	20	20		20		20
2.2		250	300	300	300		300		300
2.3		500	600	600	600		600		600
2.4				20	20		20		20
2.5				20	20		20		20
2.6				12	12		12		12
2.7				12	12		12		12

Quarterly targets for 2010/11

Provincial performance indicators

Performance indicator	Reporting period	Annual target 2010/11	Quarterly targets			
			1st	2nd	3rd	4th
2.1 Number of Departmental events coordinated and supported	Quarterly	20	5	5	5	5
2.2 Number of Annual Report copies copied in English	Quarterly	300		300		
2.3 Number of Annual Reports copied on CD's in Afrikaans (300) and Xhosa (300)	Quarterly	600		600		
2.4 Number of official document translated	Quarterly	20	5	5	5	5
2.5 Number of Departmental newsletters	Quarterly	20	5	5	5	5
2.6 Maintenance of and update of the Cape Gateway website	Quarterly	12	3	3	3	3
2.7 Maintenance of Departmental internet site	Quarterly	12	3	3	3	3

Reconciling performance targets with the Budget and MTEF

Expenditure estimates

Administration

	Sub-Programme	Audited outcomes				Adjusted appropriation	Medium-term expenditure estimate					
		2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13			
	R thousand											
1.	Office of the Head of Department	5 161	2 236	1 655	2 295	1 981	2 105	2 405				
2.	Financial Management	12 909	10 298	14 208	14 009	14 568	15 958	16 897				
3.	Corporate Services	2 619	8 537	11 097	9 475	8 821	8 903	8 995				
	Subtotal	20 689	21 071	26 960	25 779	25 370	26 966	28 297				
	Economic classification											
	Current payments	19 052	20 107	25 589	25 035	26 143	27 077	28 409				
	Compensation of employees	10 971	11 786	15 996	18 569	20 267	21 538	22 307				
	Goods and services	8 081	8 321	9 593	6 466	4 938	5 408	5 770				
	of which:											
	Assets<R5000	378	225	378	112	127	130	150				
	Audit Cost External	720	1 041	1 668	1 849	1 500	1 650	1 700				
	Communication	528	805	733	358	370	400	430				
	Cons/prof Business and advisory services	1 372	2 345	1 052	1 241	300	320	340				
	Agency and support/outsourced services											
	Entertainment	11	17	17	27	28	30	30				
	Inventory, Stationery and Printing	310	170	210	97	100	130	150				
	Lease Payments	261	340	198	138	140	150	160				
	Transport provided departmental activity			2								
	Travel and subsistence	695	510	970	431	501	520	550				
	Training and staff development	881	550	713	457	281	300	320				
	Venues and facilities	680	191	152	131	140	180	200				
	Printing and publications											
	Other	2 245	2 127	3 500	1 625	1 451	1 598	1 740				
	Transfers and subsidies to:	7	379									
	Provinces and municipalities	7										
	Departmental agencies and accounts		379									
	Universities and technikons											

Sub-Programme	Audited outcomes				Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13
R thousand								
Public corporations and private enterprises								
Foreign governments and international organisations								
Non-profit institutions								
Households								
Payments for capital assets	1 609	585	1 324	744	800	800	800	800
Buildings and other fixed structures								
Machinery and equipment	1 609	585	1 317	744	165	200		220
Cultivated assets								
Software and other intangible assets			7					
Land and subsoil assets								
Payments for financial assets	21		47					
Total	20 689	21 071	26 960	25 779	25 370	26 966		28 297

Performance and expenditure trends

- The Programme's budget decreased by an amount of R 409, 000 from R 25, 779 million in 2009/10 financial year to R 25, 370 million in 2010/11 financial year. This represents a decrease of 1, 59%. In terms of the sub-programme's the key contributors to this decrease in budgeted expenditure is the Office of the Head of the Department (decreasing by 13, 68%) and corporate services (decreasing by 6,9%). The Financial Management sub-programme however is reflecting an increase in expenditure of 3,99% from 2009/10 financial year to the 2010/11 financial year. This increase is however not a true reflection as a total of 7 posts were surrendered by the Financial Management unit in 2009/10 financial year, as well as the fact that, it is undergoing a moratorium on the filling of posts, due to the modernisation process introduced by the Department of the Premier.
- Critical to the decrease has been the reduction in spending of Goods and Services from R 6,466 million in 2009/10 to R 4,938 million in 2010/11 financial year. This is primarily due to the Department's re-prioritisation of the budget as a result of the significant reduction in the budget.
- Over the MTEF period the Programme will introduce many improvement measures that should result in efficiency gains, and therefore not result in any significant increase in the budget. The only real increase is in the personnel budget due to salary increases.

PART B : Programme and Subprogramme Plans

PROGRAMME 2: INTEGRATED ECONOMIC DEVELOPMENT SERVICES

Purpose

To promote and support economic development through shared partnerships.

Programme structure

The Programme is structured as follows:

- Sub-programme 1: Enterprise Development
- Sub-programme 2: Regional and Local Economic Development
- Sub-programme 3: Economic Empowerment
- Sub-programme 4: Workforce Development
- Sub-programme 5: Management Integrated Economic Development Services

Situational analysis

Performance delivery environment

In 2008 South Africa ranked 23rd out of 43 countries, with a Total Early-stage Entrepreneurial Activity (TEA) below the average (10.6%) of all participating countries in the Global Entrepreneurship Monitor (GEM). South Africa's TEA rate of 7.8% is significantly lower than the average for all efficiency-driven economies as well as the average for all middle to low income countries. In the same study SA ranked 38th when it came to new business prevalence showing a rate of only 2.1% - well below the average of 4.7%. The prevalence of established business owner managers follow a similar disturbing trend with SA ranked 41st out of the 43 countries.

SA's low new firm and established business prevalence rates paint a bleak picture of the SMME sector's potential to contribute meaningfully to job creation, economic growth and more equal income distribution.

In attempting to address the challenges and exploit the opportunities presented to small business and entrepreneurship, the Enterprise Development unit will focus on three key areas for this period improving the quality of service at the RED Door centres, building on the programmes that support the more established and sophisticated small business segment, and rolling out a programme that increases awareness and encourages entrepreneurship (especially among the youth at high schools and tertiary institutions).

The Department's selection of outcomes related to employment and business formation and expansion has meant that projects and programmes need to possess a high propensity to deliver on these outcomes. In line with this, the quality of support received by clients – both start-up individuals and existing businesses – must be significantly

improved. Measures to improve the quality will include staff capacity building and training at the RED Doors, partnerships with other small business support organisations, an emphasis on mentorship and hand-holding and improvement of the assessment and diagnostic tools.

The mentorship and hand-holding initiative, called the Legacy Mentorship Programme, aims to widen the network of competent mentors by co-opting retired and semi-retired business people and/or business professionals to play a leading role in providing ongoing assistance to emerging entrepreneurs. It is hoped that with this network of mentors they would be able to assist emerging businesses with accessing capital.

The Entrepreneurship Awareness Programme will attempt to increase the Province's Total Early-stage Entrepreneurial Activity (TEA) by encouraging especially the school-going and tertiary students to view entrepreneurship as a viable alternative to employment.

The establishment of the Enterprise Development Fund – in partnership with the Economic Empowerment unit – will attempt to use the Black Economic Empowerment (BEE) scorecard to draw in funds from the Province's corporate sector. The fund will serve 2 purposes: firstly, it will supply the means to supporting and assisting small black-owned businesses through both financial and non-financial programmes and secondly, it will enable the contributing corporates to claim points for their BEE scorecards.

Co-operatives will also receive special attention. Support will be widened to include co-operatives that are started and operated based on combining buying and selling and shared services. Township retailers (spaza shops) and crafters will be among the targeted groups.

A recent report handed in in May 2009 to the Minister of Local and Provincial Government (DPLG) and the Afrikaanse Handelsinstituut identifies significant challenges facing local economic development. The capacity of Local Economic Development (LED) officials, partnerships between the public and the private sector, the needs of the second economy and regional co-operation and development, are but some of the critical challenges facing our local areas. Ignoring these and other challenges effectively nullifies or renders all other spheres of Government support useless.

The Regional Local Economic Development (RLED) unit will become far more hands-on in its approach to attempting to support and assist local authorities. The municipal capacity building component of the RLED unit, like the planning

component, will be extremely hands-on and empowering in its approach to supporting municipalities. The provincial and district LED forums will play an important role in sharing best practice, imparting skills and knowledge and generally contributing to the “upliftment” of LED to make it more prominent on the priority list of municipalities.

Economic Empowerment became a Government and business imperative - even more so with the integration of the Preferential Procurement Policy Framework Act (PPPFA) and also the Codes of Good Practice. Procurement has been identified as an economic participation approach to ensure that local suppliers benefit from local opportunities, both in the public and private sector. Moving from the periphery, economic transformation now takes a centre stage as a key lever to accelerate growth performance and broaden the Province’s (and country’s) economic base. Economic Empowerment, in terms of job creation and business proliferation, plays a significant role as a critical component of economic participation.

The opportunities provided through the application of the BEE scorecard will be the bedrock upon which the Enterprise Development unit will operate. For all of the targeted groups – youth, women, and people living with disabilities – the availability of economic opportunities (e.g. skills development, employment, business formation) and the ability to access and exploit such opportunities, ultimately leads to true empowerment.

Both private sector and public sector procurement opportunities will be the prime focus in the empowerment of citizens of the Province. Hand-in-hand with this will go the engagement with departments, organisations and corporates to promote economic empowerment. Since many of these organisations are simply unaware of the wealth of opportunities they are able to offer, engagement of these organisations will unlock and unleash new economic opportunities.

The South African economy is characterised by, high levels of unemployment, and severe shortages of skills. The same can be said for the provincial economy. At this level, the vision and strategic objectives of the Accelerated and Shared Growth Initiative for South Africa (AsgiSA) are encapsulated in the Western Cape Growth and Development Strategy. The latter identified the lack of appropriate skills as one of the key obstacles, or binding constraints, to higher shared economic growth. Targeting skills development, as well as addressing the current skills mismatch, have been identified as two key policy interventions to increase economic participation.

With significant challenges such as aspects of the current education system, youth unemployment (typically unskilled and no or very little work experience), and geographic location of job opportunities, the Workforce Development unit, has opted for a strategy that aims to maximise the fruits of its efforts with limited financial resources. The essential strategy is comprised of two parts. Firstly there is a provincial body that stimulates social dialogue among the social partners (i.e. labour, Government, civil society and business) so that agreement on Human Resource Development (HRD) matters (including strategy) can be reached. Secondly sector specific skills interventions are supported. These are of significant value because they uplift individuals’ skills levels and increase their chances of employment.

The existence and proper functioning of a provincial body representing all the major stakeholders (related to human resources development) which engages in social dialogue to reach consensus on critical issues, is necessary to address the skills challenges in the Province. The unit will play a key role in ensuring that the partners embark on collaborative interventions that further the human resources development in the Province. These collaboration efforts will be harnessed to unlock funds (e.g. SETAs) and opportunities.

The unit’s activities will not be confined to the policy environment, but will also include projects in the selected sectors. Once again, the key outcome of jobs and employment means that the choice of interventions must have high potential to achieve this outcome. Hence, the unit will be supporting hard skills development projects that are sector-focussed and sector unique. This is a departure from supporting projects that leaned more towards softer skills (e.g. general management).

SUB-PROGRAMME 2.1 ENTERPRISE DEVELOPMENT

The Enterprise Development unit has been given the mandate to facilitate an “enabling business environment” and ensure that SMMEs thrive in the Western Cape. As SMMEs in the Province are amongst the drivers of economic participation, the Enterprise Development unit will focus on three key areas for this period:

- Improve the quality and operational systems of the RED Door.
- Improve the quality of service offerings to focus on the high end of the informal sector and also introduce sector-based offerings throughout the RED Door network, in collaboration with the sector unit within the Department.
- Follow a Public-Private Partnership approach to Enterprise Development, including the Enterprise Development Fund and Social Entrepreneurship.

The common thread throughout the implementation of the Enterprise Development unit should as far as possible be, to leverage funding from public and private sector stakeholders.

Strategy 1: Sustained localised enterprise support and accessible and responsive business support centres

The RED Door operates in a sector which has a high concentration of entrepreneurs and which is characterised by less sophisticated, informal to semi-formal businesses. Thus, generic business support services are required. This level is predominately an entry level for entrepreneurship, because of low entry barriers. Entrepreneurs may however enter at high level, depending on their skills, expertise and networks.

The core focus is the repositioning of Red Door to provide assistance to the “top end of the informal sector”, and high growth oriented businesses. The intended outcome of this will be the acceleration of enterprises via competitive enhancement for expansion, which also leads to employment growth.

The RED Door Programme was geared towards the provision of generic services to SMMEs over the past five years, but by virtue of its location positioning, it has been mainly attractive to survivalist and also micro enterprises. The key focus of the RED Door for 2010/11 is to reconfigure the programmes to support the more established and sophisticated small business segment, strengthening the effectiveness and increasing the impact of the less sophisticated service offerings.

The RED Door’s sophisticated business support services that are to be introduced in 2010/11 would have a strong technical and/or industry bias and co-ordinate business support interventions to enterprises through industry bodies operating in a sector. The unit would be working closely with the sector unit to ensure that there is a presence of sector experts at the RED Door. The tourism and craft sector would form part of the first phase in integrating their services at selected RED Door centres in 2010/11.

By improving the services of the RED Door centres across the Province, there will be a drive for capacity building of staff. Elevating the systems will also be high priority in 2010/11. The enhancement of the RED Door staff skills will be highly beneficial to clients as it will propel the level of service delivery. The IT and operational systems will receive high attention. This would include exploring the introduction of International Organisation of Standardisation (ISO) systems across the RED Door network, and also the continuous improvement of the Intouch System to ensure better operations management. Partnerships with local universities and also SMME development learning institutions (Business Skills of South Africa - BSSA), will be aggressively explored.

The alignment of LED Plans to reflect SMME development as part of their developmental plan is key in positioning entrepreneurship, this would ensure that financial resources are made available SMME development by each municipality. RED Door would thus be promoted as an SMME Development strategy which municipalities can adopt to address entrepreneurship promotion. The benefits would include cost sharing and co-ownership. In 2010/11, the unit would be taking a franchising approach of RED Door to all municipalities. Heavy emphasis will be made to ensure co-funding of the RED Initiative with municipalities in buy-in and dual ownership.

Strategy 2: Mentorship for enterprise sustainability and growth

The poor sustainability of start-ups in South Africa relative to other countries in the Global Economic Empowerment (GEM) sample highlights the need for policy interventions aimed at supporting and mentoring entrepreneurs through the difficult process of firm birth.

According to the report, 62% of professionals cited education and training as a limiting factor in 2008. This figure has not changed since 2001 – a disturbing phenomenon. “The skills shortage is seen by many in the business environment as a major factor hindering economic growth and business efficiency”. The report illustrates that entrepreneurial activity is relatively low in the 18 – 24 year age group, peaks among 25 – 34 year olds, and then declines as age increases with the sharpest decrease after the age of 54. This correlates with the “perceived skills” which tend to increase with age.

The Western Cape is amongst the top destination for retired executives. The Programme seeks to leverage on the competitive advantage of having retired executive hubs with vast corporate skills and experience that can coach and transfer skills. The Department will explore this available skills base for the benefit of SMMEs in the Province.

As a corollary, all the methodologies and techniques of the scarce skills and otherwise skilled mentors need to be catalogued and recorded. This will form the foundation of a knowledge bank to deepen the institutional memory within the SMME sector. A common platform for sharing is recommended to facilitate and encourage constant interaction amongst the mentors as peers and between the mentor and mentee.

Skills transfer, and also networks, from these executives would be invaluable. The Department will engage with associations to attract the involvement of potential “business angels”. Business and corporate ambassadors will contribute to the entrepreneurship skills enhancement with their expertise, using their human and material resources.

The mentorship and hand-holding initiative, called the Legacy Mentorship Programme, aims to widen the network of competent mentors by co-opting retired and semi-retired business people and/or business professionals to play a leading role in providing ongoing assistance to emerging entrepreneurs. It is hoped that with this network of mentors they will be able to assist emerging businesses with accessing capital.

The conceptualisation would include market research and benchmarking similar programmes in the market. A few examples include the PUM Programme by the Western Cape Business Opportunities Forum (WECBOF), Mentorship Programmes by Business Partners, Khula and also Ilima Trust. The stakeholder engagement on implementation of the Mentorship Programme would include involvement of business chambers, business associations, Rotary Clubs, Lions Clubs, golf clubs, business interest groups and business support network. This would be to solicit buy-in and partnership with these stakeholders.

The matching tool would be integral to ensuring that the mentor and the mentee matched are as far as possible compatible. The key driver for this is to ensure that the drawing of SMMEs is done across the RED Door network, and is also expanded to other business support networks and to institutions that offer financial and non-financial support to SMMEs.

The Department would be playing a facilitation role in management of mentorship legacy. The skills pool of current and former corporate executives is in abundance in the Western Cape. It is very critical that these skills be transferred to SMMEs. The Department will seek to facilitate the skills transfer process, by organising the current and former executives and linking them to SMMEs across the Province for mentorship purposes.

It is anticipated that the approach would be low on investment requirements but very high on return on investment. This is subject to the efficiency of the facilitation.

Strategy 3: Implementation of the Enterprise Development Fund as a Public-Private Partnership driven Enterprise Development approach

Enterprise Development implementation by corporate South Africa has proved to slow. This is backed up by the 2007 Baseline Study on Broad Based Black Economic Empowerment (BBBEE), KPMG BEE survey and also the Empowerdex/Financial Top Empowered companies 2009. This is despite the fact that an estimated amount of over R10 billion is available in corporate budgets for enterprise development.

Enterprise Development in the perspective of economic transformation presents an investment recruitment opportunity for the Department from the private sector. In view of the key reasons mentioned by the KPMG BEE survey report, the cited challenges mentioned by corporate South Africa are real. Thus, a support intervention is necessary to ensure that assistance is made available to corporates to enable them to execute Enterprise Development interventions.

The Department has identified an opportunity of propelling enterprise development in the Province by leveraging the funding available in the private sector. This gave effect to establishment of the Enterprise Development Fund, which is a Public-Private Partnership approach in support of emerging enterprises in the Province.

Firstly, this initiative will stimulate growth-oriented enterprises by building systems and addressing the functional business needs of SMMEs through procurement. Secondly, the fund will complement existing support interventions of the Department, based on the requirements of the corporation of growing SMMEs.

Through the leveraging of partnerships, the Fund will aim to increase the capacity and competitiveness of local suppliers, assist emerging enterprises, and create access to procurement opportunities. Furthermore, the benefit to the private sector is improving their BEE scorecard.

As much as possible, the ED Fund will strive to ensure that its interventions are linked to Preferential Procurement of corporates, to ensure that corporates derive more BEE points on the Preferential Procurement pillar. This will be integral in the opening of new markets and will ensure that the efficiency and capabilities of SMMEs are improved.

The implementation for 2010/11 include:

- Finalise setting up the fund in accordance with all Codes of Good Practise;
- Set up Transformation Forums in partnership with the Economic Empowerment unit across selected districts, co-ordinate private sector stakeholders;
- Develop a comprehensive business plan with viability indicators;
- Explore identifying a credible Asset Management partner to act as fund manager;
- Create a concise communication strategy and Investment recruitment; and
- Jointly fund of projects stemming from the fund.

Strategy 4: Facilitation of Public-Private-Partnership Social Entrepreneurship

South African companies have embraced Corporate Social Investment (CSI) or Corporate Social Responsibility (CSR) as Government encouraged corporate giving through the introduction of empowerment charters. Corporates are very advanced in the implementation of CSI interventions and Government has been in the social development game for a very long time. The interventions approaching social development are mainly not sustainable and in most cases create a dependency syndrome with beneficiaries. Social entrepreneurship catalyses systematic social change through new ideas, products, services, methodologies and changes in attitude. Social entrepreneurs create hybrid organisations that employ business methods, while their bottom line is social value creation. The ability to turn new ideas into concrete transformational solutions is the hallmark of an entrepreneur.

Social Entrepreneurs have a core business of addressing social challenges using entrepreneurial approach through innovation, risk-taking and large-scale transformation.

According to the findings of GTZ Corporate Social Responsibility in sub-Saharan Africa: Survey on Promoting and hindering factors, Government has been identified as an important factor in enabling business environment. The corporate indicates that Government should develop policy framework, stimulate of CSR dialogue and provide of supportive resources and endorsement of companies that are involved in CSR.

All participants in this arena need to be aligned with the prevailing ethos of the donor, donor efficacy and implementer. Consequently a review of CSI and CSR initiatives and philanthropic grant making needs to be undertaken prior to mapping such external factors in tandem with the current internal model for commentary and alignment. There are multiple interventions, implemented by the private sector in terms of CSI and by the provincial Department of Social Development, that target entrepreneurship development. The Department seeks to position itself as a partner of choice in implementing enterprise development.

The Department will play a facilitation role in approaching social entrepreneurship. With the resources being available in both the private and public sector, the Department will be facilitating the consolidation of these resources. It will also facilitate investment in the social entrepreneurship model

which will be implemented in the Western Cape. The focus of the Department in 2010/11 is to ensure that the social entrepreneurship eco-system is co-ordinated and that enterprise development solutions are provided.

For the period 2010/11, the Department will:

- Host bilateral engagements between the Department and the Provincial Department of Social Development to develop an action plan for the implementation of the Social Entrepreneurship Programme in the Western Cape;
- Facilitate stakeholder engagement and dialogue; and
- Co-ordinate the implementation of a Social Entrepreneurship Programme in the Western Cape.

The need for an entrepreneurial forum lies in the fact that individuals are constrained to exploit opportunities successfully in order to create successful small businesses. There are currently a maze of interventions by various institutions and individuals to grow small businesses, by providing direct services such as training, business support, financing and mentoring. The forum will therefore create synergies and influence interventions, both at a provincial and a local level, as markets are exploited within a locality.

Worldwide Government policy aims to streamline, access for small businesses to exploit opportunities as this enhances both GDP growth and job creation. The environment should therefore be conducive, and in the case of South Africa, ensure shared growth and opportunities for all. This forum will provide both input and shape the discussion around a provincial approach to small business development. This will incorporate a cross cutting sector-based approach in order to harness effective methods employed to developing small business in the Province. The forum will therefore endeavour to assist in the development of competitive industries and exploit growth opportunities stimulating the discussion on Government policy and programmes.

The forum will constitute leading players in enterprise development in the Province, in a co-ordinated fashion through quarterly or bi-annual meetings. This forum will comprise of leading academics, practitioners, organisations, bodies and individuals who directly or indirectly shape the discussion on synergies and the uniqueness of programmes and projects aimed at enhancing entrepreneurship development within the Province. Topics will be based on learning, best practice models and shared experience on how to effectively grow the provincial economy and create jobs through SMME development.



The forum will, furthermore aim to influence an integrated network of private and public sector expertise to develop an entrepreneurship culture. Thus the forum will tap into collaborative resources aimed at further enabling individuals and groups to grow the economy through synergies in programmes and projects.

Since the inception of the Co-operatives Voucher Programme in 2009/10, co-operatives in the Province were given a boost and this galvanised their emergence and proliferation of co-operatives. The Co-operatives Voucher Programme provided co-operatives with opportunities to access business development support services, including co-operative setup, business plan development, and mentorship. The aim in 2010/11 is to intensify these support offerings. The impact of the Programme has been that co-operatives are now being supported in a more comprehensive and customised manner.

A reconfiguration in the financial support of co-operatives is required due to the slow uptake of loan funding support. In 2010/11 the aim is to provide finance in a two dimensional approach. The first approach would include funding co-operatives to unlock financial incentive support (Co-operatives Support Scheme) from the national Department of Trade and Industry. The second approach is project financing and these projects would not be solely financed by the Department. It is envisaged that the above approach would propel co-operatives as a business format and a tool in assisting communities to participate in the mainstream small business arena in a far more meaningful way.

Strategic Objective	To create and promote an enabling business environment through facilitation of support and development of new and existing businesses through provisioning of financial and non-financial support
Objective Statement	To facilitate support and development of 4170 new businesses, and 4170 existing businesses, leveraging of partnership fund totalling R 50,5 million and unlocking business opportunities for SMMEs to the value of R85 million, and the aforementioned efforts would result in at least 16 680 jobs unlocked.
Baseline	South Africa ranked 38th out of the 43 countries with a new business prevalence rate of only 2.1% (national), meaning that sustainability of new enterprises are very low. In terms of prevalence of existing businesses, South Africa ranked 41st out of the 43 countries, with an established business rate of 2.3%. This indicates a high failure rate for South African start-ups.
Justification	South Africa has a low level of entrepreneurship in comparison to many other countries and a high level of start-up failure rates (where new businesses close before they are three years old). In terms of new firm activity, this strategic objective is a vital component of economic participation through individuals starting their own enterprises and hence contributing to prosperity in the province. The interventions that would be rolled out would be in line to ensure that SMMEs are capacitated financially and non-financially, and skills development to ensure the probabilities of success are increased. The focus would be on (1) pre-startup, this would be to provide basis support and awareness programmes, (2) start-up support, the aim is to convert all potential business with the highest prospects of success and with sustainable business proposition into fully fledged businesses, (3) existing business support, the focus would be to introduce these enterprises to opportunities, provide subsidised professional business development support services, provision of supplier development intervention.
Links	Medium Term Strategic Framework, MEDS, Small Business Act

Strategic objective annual targets for 2010/11							
Strategic objective (outcome indicator)	Audited/Actual performance			Medium-term targets			
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
1.1 Number of new businesses established					720	800	800
1.2 Number of businesses expanded/sustained					720	800	800
1.3 Value of funds leveraged				R3 million	R5,5 million	R8 million	R12 million
1.4 Value of opportunities for SMMEs realised					R20 million	R20 million	R20 million
1.5 Number of jobs facilitated/sustained					2 880	3 200	3 200

Programme performance indicators and annual targets for 2010/11

Sector specific performance indicators

Strategic objective (outcome indicator)	Audited/Actual performance				Estimated performance	Medium-term targets		
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13
	1.1						720	800
1.2					720	800	850	
1.3					15	20	30	
1.4					15	20	30	

Provincial performance indicators

Programme performance indicator	Audited/Actual performance				Estimated performance	Medium-term targets		
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13
	1.1	1 461	10 769	20 514		10 000	25 000	25 000
1.2					6 250	6 250	6 250	
1.3					6 250	6 250	6 250	
1.4					15	20	30	
1.5					15	20	30	
1.6					50	100	100	
1.7					3	5	5	

Provincial performance indicators							
Programme performance indicator	Audited/Actual performance			Estimated performance	Medium-term targets		
	2006/07	2007/08	2008/09		2009/10	2010/11	2011/12
1.8	Establishment of Provincial Social Entrepreneurship forum				1	1	1
1.9	Establishment of Provincial Enterprise Development forum				1	1	1
1.10	Number of existing SMMEs receiving capacity building through ED Fund				10	30	50
1.11	Number of corporates partnering on Enterprise Development projects through ED Fund				2	5	10

Quarterly targets for 2010/11						
Sector specific performance indicators						
Performance indicator	Reporting period	Annual target 2010/11	Quarterly targets			
			1st	2nd	3rd	4th
1.1	Number of existing SMME's supported	720	120	190	210	200
1.2	Number of new SMMEs developed	720	120	190	210	200
1.3	Number of existing cooperatives supported	15	4	4	2	5
1.4	Number of new co-ops developed	15	4	4	2	5

Quarterly targets for 2010/11						
Provincial performance indicators						
Performance indicator	Reporting period	Annual target 2010/11	Quarterly targets			
			1st	2nd	3rd	4th
1.1	Quarterly	25 000	6 500	7 500	5 500	5 500
1.2	Quarterly	6 250	1 750	1 900	1 300	1 300
1.3	Quarterly	6 250	1 750	1 900	1 300	1 300
1.4	Quarterly	15	4	4	2	5
1.5	Quarterly	15	4	4	2	5
1.6	Quarterly	50			25	25
1.7	Quarterly	3			1	2
1.8	Annually	1				1
1.9	Annually	1				1
1.10	Annually	10				10
1.11	Annually	2				2

SUB-PROGRAMME 2.2 REGIONAL AND LOCAL ECONOMIC DEVELOPMENT

Greater economic participation has to be pursued to influence the growth and development trajectory of localities that contribute to the regional economy as a whole. The RLED unit will aim to do this through both a top-down and a bottom-up approach. The top-down approach will encourage an open architecture plan that will aim to support market failure interventions to can stimulate or kick-start economic activity in areas. The bottom-up approach will aim to support and build the strength of municipalities that are on the coalface of service delivery.

Our top-down approach on spatial economic development support is to shift from identifying and developing local economic projects. It will now support local Government and local economic role-players with access to support in creating an enabling environment for economic growth and development. Sound planning will take place within local economies, to the benefit of the regional economy.

The bottom-up approach on spatial economic development support is to shift from supporting local government projects with limited resources. It will now focus on strengthening municipal capacity support to accelerate meaningful delivery, based on credible economic plans.

The specific strategies to effect delivery are:

- Support Sound Municipal and Regional Plans for LED; and
- Improved Local Capacity for Greater Economic Participation.

The specific interventions to deliver on the above two strategies to pursue spatial economic development will demonstrate delivery on specific imperatives and national priorities, such as Regional Economic Development, Local Economic Development, Rural Development and Urban Development (City Functional Regions).

The strategies will complement the Micro Economic Development Strategy and support an Open Architecture Industrial Policy approach. This approach aims to ensure that local economic development interventions by the Department are more meaningful and add more value in the economic development service delivery arena.

Strategy 1: Support Sound Municipal and Regional Plans for LED

If a regional spatial fund to promote sound regional and municipal plans and actions for the achievement of local economic development is established, we believe it will support an Open Architecture Industrial Policy approach for the Western Cape.

To facilitate sound spatial economic plans for development and implementation, the RLED unit's Spatial Economic Programme (SEP) looks at regional and municipal economic projects that contribute to growth and development in, and across, localities and regions in the Province. The Programme will facilitate support for the development and implementation of local and regional projects that impact on economic growth, through:

- **Support interventions that crowd-in Government and private sector investment**

To unlock economic potential, SEP will seek to promote and crowd-in investment into regions that include soft and hard economic infrastructure. Growing local economies by unlocking wealth and encouraging participation that enables institutional and physical infrastructure to be developed, is crucial to most provincial and national development plans. The establishment of basic infrastructure (such as electricity, transport infrastructure and water supply), transport infrastructure and production and storage facilities, is essential;

- **Pursuit of partnerships** with local and district municipalities to support economic role-players such as firms, groupings of firms, or organisations active in the economic arena

The partnership of the private sector, as the primary driver of economic activity, with Government and its agencies and parastatals such as the Western Cape Trade and Investment Promotion Agency (Wesgro), Industrial Development Corporation (IDC) and Development Bank of South Africa (DBSA), are crucial for economic investment into regions.

- **A Spatial Economic Development Fund**

We propose that a Spatial Economic Development Fund be established with SEP. This fund will support sound spatial economic projects that promote LED and test the viability of an Open Architecture approach in tackling our economic development challenges.

This dedicated fund is to provide finance for public entities that, in turn, will be required to provide the inputs identified via the Open Architecture. The fund will solicit proposals and any firm or grouping of firms requiring Government support on this basis will be able to apply. Rather than Government deciding what types of firms to support (by sector or by size, for example), applicants will be able to self-select. Government would not predetermine the nature of the support and applicants would in fact advise/ inform as to the support they require. Proposals would be vetted by a technical secretariat.

For the period 2010/11, the Department will:

- Develop SEP and introduce and establish the Spatial

Economic Development Fund (SED-Fund). This regional spatial fund is proposed to promote sound regional and municipal plans and actions, given the current delivery environment that lacks suitable support to new activities to stimulate economic development. The fund intends to provide access to funding for industry-specific publicly funded goods, including infrastructure, research and development, training, fast-tracking bureaucratic procedures, property rights, market studies and support to gain market access, etc. The SED Fund is to be established as a brand new intervention, which advocates the principle of project proposals being demand-driven from the private sector. The first year of rollout will focus on establishing the fund to ensure sound governance and structural formation, adherence to Government policy and processes, and piloting to test and address teething and ad hoc matters, not previously anticipated, that may arise. In addition the year will focus on marketing the fund through organised information and awareness drives, so that the private sector awareness will be strengthened for a greater demand-driven response. The SEDF will therefore be undertaken as a pilot in the financial year to come as the intention is to test an Open Architecture approach as an innovative way to measure the nature and size of Government intervention in economic development.

- SEP will look at interventions that crowd-in Government and private sector investment into regions that include soft and hard economic infrastructure, to unlock economic potential. It will also aggressively pursue partnerships with local and district municipalities to support economic role-players like firms, grouping of firms, or organisations active in the economic arena. Partnerships of the private sector, as the primary driver of economic activity, with Government and its agencies and parastatals are also crucial for economic investment into regions.

Strategy 2: Improved Local Capacity for Greater Economic Participation

To improve local capacity for greater economic participation the RLED unit has launched the Municipal Capacity Support Programme (MCSP) that, within the context of existing, new or revised Integrated Development Plans (IDPs), provides hands-on expertise, assistance and support to boost local Government's capacity to promote LED. It further intends to address challenges and facilitate the creation of an environment conducive to economic growth. Four key strategic interventions are proposed.

- LED Strategy Alignment will provide assistance to local Government on strengthening the alignment of their economic development efforts to the Provincial Growth and Development Strategy (PGDS), IDPs and other spatial plans.
- Capacity Building will look to develop and empower local Government officials and local economic role-players by

addressing training gaps. This will increase their technical skill requirements; decrease the quantity of consultant-driven services; increase their ability to access information; increase their ability to project manage and monitor implementation; and, improve their ability to engage with the private sector and others, on the direction of LED efforts in a region, etc. Capacity building interventions will also be geared at challenges faced in facilitating the creation of an environment conducive to economic growth.

- A well-functioning LED forum at district level (and one at provincial level) will supported to ensure: that sound local Government LED strategies and implementation plans are pursued which are sustainable and responsive to local level priorities; that reliable economic information/ data is established and maintained to promote economic development in localities; support for effective Government coordination of support services and interventions; implementation of awareness initiatives to improve coordination, alignment and effectiveness of Government policies and programmes; it addresses challenges and facilitates the creation of an environment conducive to economic growth; and dissemination of good practice in LED.
- Local Participation Projects will be aimed at addressing some of the key strategic challenges faced by local Government in efforts to promote LED. By way of illustration, areas of focus will include supporting intervention on: increased coordination to avoid duplication and to ensure that complementary roles are established for synergy; building LED networks; appropriate scaling of LED; supporting the establishment and maintenance of sound economic baseline data; identification and development of economic opportunities that have widespread local impact; access to funding for LED; differing LED practices in urban centres vs. rural towns; red-tape reduction; maximising potential for partnerships, etc. In other words, to facilitate the creation of an environment conducive to economic growth.

For the period 2010/11, the Department will:

- Ensure that thorough planning and implementation processes are put in place to facilitate the rollout of MCSP in a manner conducive to the service delivery environment of local Government. This means, support is to be tailored to local Government planning and implementation processes, third generation IDP developments, and the engendering of an empowering approach to supporting municipalities, whilst being sensitised to the FIFA World Cup 2010 activities and the local Government elections, ahead.
- Establish sound partnerships to ensure the targets aimed for by the unit, is confidently achieved in relation to the five-year strategy.

Strategic Objective	Strategic economic development support to municipalities
Objective Statement	To provide strategic economic development support to 30 municipalities in terms of: capacity building, local and provincial planning and implementation alignment, and projects supported that contribute to employment, expansion of 70 business and investment recruited to the value of R 15 million in to localities to ensure improved capacity to contribute to local and therefore regional economic growth and development
Baseline	No verified baseline data is available
Justification	<ul style="list-style-type: none"> The Department aims to influence and make a positive impact on the growth and development trajectory of localities that contribute to the regional economy as a whole, through greater economic participation and an increase in the capacity of local government to make this happen. To contribute to local economic growth and development, supporting and building the strength of municipalities who are on the coalface of service delivery can achieve this. The department will provide tailored municipal support and engender and supporting municipalities. <p>Municipalities need to consider how to create an environment supportive of private sector investment, link suitable public sector investment, and address the needs of communities within the development potential of regions with local projects and programmes.</p>
Links	The goal is to support municipalities to improve their capacity to contribute to local economic growth and development within the context of existing, new or revised IDPs. With support directed at: spatial policy and implementation alignment, focused resource allocation, provision of hands-on expertise, capacity building training, suitable IGR vehicles and development of local participation projects, inclusive economic growth and job creation for the province will be achieved.

Strategic objective annual targets for 2010/11							
Strategic objective (outcome indicator)	Audited/Actual performance			Medium-term targets			
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
1.1 Number of municipalities with improved capacity to contribute to economic growth and development				5	6	6	6
1.2 Value of funds leveraged					R 2million	R2 million	R2 million
1.3 Number of businesses expanded/sustained across municipalities					10	10	10

Programme performance indicators and annual targets for 2010/11

Sector specific performance indicators

Strategic objective (outcome indicator)	Audited/Actual performance				Estimated performance	Medium-term targets		
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13
	1.1					3	5	6
1.2				5	6	6	6	
1.3				1	2	3	4	

Provincial performance indicator

Strategic objective (outcome indicator)	Audited/Actual performance				Estimated performance	Medium-term targets		
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13
	1.1						5	6
1.2					1			
1.3					2	3	4	

Quarterly targets for 2010/11						
Sector specific performance indicators						
Performance indicator	Reporting period	Annual target 2010/11	Quarterly targets			
			1st	2nd	3rd	4th
1.1	Number of economic development projects supported at local and regional level Annually	5			1	4
1.2	Number of LED strategies aligned to PGDS and other spatial development plans Quarterly	6			3	3
1.3	Number of capacity building interventions to municipalities Quarterly	2			1	1

Quarterly targets for 2010/11						
Provincial performance indicators						
Performance indicator	Reporting period	Annual target 2010/11	Quarterly targets			
			1st	2nd	3rd	4th
1.1	Number of LED Forums supported Annually	5		5		5
1.2	Number of Provincial LED forums established Annually	1				1
1.3	Number of local projects supported that contribute to economic growth and development Quarterly	2			1	1

SUB-PROGRAMME 2.3 ECONOMIC EMPOWERMENT

In giving effect to the Strategic Priority of “ENABLING BUSINESS ENVIRONMENT”, the core focus of the unit is the promotion of economic participation in the economy through preferential procurement opportunities and enterprise development, primarily, as well as through skills development and socio- economic development.

Strategy 1: Facilitated Access to Public and Corporate Procurement Opportunities

This will be given effect by facilitating the economic empowerment of individuals, emerging entrepreneurs and small businesses through the “1000 Opportunities Programme” and by increasing economic empowerment awareness through improving access to information and opportunities for the previously disadvantaged and presently marginalised. The essential elements of the unit’s strategy for the coming years would thus comprise three critical components.

Firstly, based on the proposed amendments for alignment of the Preferential Procurement Policy and the BEE Act of 2003, the unit will continue the provincialisation of the national BBBEE Act and Codes of Good Practice through a strong focus on compliance to the BEE scorecard. Particular attention will be paid to the elements of procurement and enterprise development. In terms of procurement, there will be a concerted effort to put public sector procurement (provincial departments and municipalities), at the forefront of the push, to ensure meaningful participation by all people. The element of enterprise development, in collaboration with the Enterprise Development unit, will also be high on the scorecard agenda as an instrument of empowerment.

Secondly, the generation of baseline information will be gathered to accurately determine the state of BEE procurement in Provincial and local Government spheres in the Western Cape Province. The information will serve the purpose of directing Government’s (and the private sector’s) empowerment efforts. It will be useful to obtain a clear understanding of the challenges, gaps and achievements within the theme of empowerment. Without baseline information to inform meaningful and appropriate intervention, addressing empowerment issues could be meaningless.

Thirdly, the advocacy or popularising of the national BEE policy within the context of the “Open Society Policy”, will serve to sensitise and create awareness among our target

market of, not only the opportunities and “rights” created by empowerment initiatives, but also of the array of opportunities offered by Government (and the private sector) to all inhabitants of the Western Cape.

Some of the key priorities driving the unit for 2010/11 include the following:

- Public awareness of economic opportunities presented by Government, local Government and the business sector through ongoing social dialogue and marketing.
- Support and assistance to provincial departments, local municipalities and the private sector to enable the unlocking of opportunities created by the implementation of the Codes of Good Practice and the Open Society Policy.
- The drafting of an annual procurement baseline report on economic empowerment in the public sector.
- The review and alignment of provincial Government procurement guidelines and regulations in line with the national BBBEE prescripts.

Support will also be provided to small and emerging suppliers and service providers accessing Government and private sector procurement opportunities e.g. deal facilitation, business match-making, access to Government service offerings etc.

Partnerships:

Economic Empowerment is the key Government co-ordinator and role-player in the implementation and harnessing of effective empowerment in the Province. In terms of this strategy, the Department will develop programmes and recommend interventions with other provincial departments and local Government, the private sector, labour and civil structures.

The unit’s interaction with stakeholders on empowerment is intended to move towards alignment of approaches and partnering on specific programmes and interventions. This interaction with stakeholders also ensures the proper facilitation of social dialogue — an element that is considered crucial for effective empowerment implementation by the unit.

The collaboration with the national Government departments (e.g. the dti) and agencies (e.g. the National Empowerment Fund (NEF) and Industrial Development Corporation (IDC) is essential for two main reasons: getting clear guidelines regarding policy and also securing support (financial and non-financial) in delivering on empowerment policies.

Strategic Objective	To create an enabling business environment for sustainable economic empowerment through promotion of procurement opportunities to local businesses.
Objective Statement	To facilitate economic empowerment of emerging entrepreneurs and small businesses and the expansion of small businesses as well as increasing economic opportunities awareness through improving access to procurement and business opportunities. This will be done through ensuring 600 economic opportunities realised are realised, valued at R 60 million.
Baseline	No baseline available Number of economic opportunities realised: 0 Number of jobs created: 0 Number of companies accessing business opportunities: 0
Justification	Business opportunities will be made available through a "single opportunity access point" which will be in the form of an electronic portal which will in turn ease access to business information by the targeted beneficiaries as well as the broader community, although it is not exclusive to those groupings. The objective is to have a credible, reliable and easy accessible source of information and opportunities on broad based economic empowerment. The portal will be available on the Internet and optimised for mobile phone access. The providers of opportunities and support services (those organisations who would place their opportunities and support services on the portal) such as public and private enterprises would also be able to benefit from an e-portal as the latter is constantly on the look-out for capable providers/suppliers/vendors.
Links	National Broad Based Black Economic Strategy, Broad Based Black Economic Act and the Codes of Good Practice, Provincial Preferential Procurement Act

Strategic objective annual targets for 2010/11						
Strategic objective (outcome indicator)	Audited/Actual performance			Estimated performance	Medium-term targets	
	2006/07	2007/08	2008/09		2010/11	2011/12
1.1 Number of economic opportunities realised					100	150
1.2 Value of economic opportunities					R10 million	R15 million
						R15 million

Performance indicators and annual targets for 2010/11						
Sector specific performance indicators	Audited/Actual performance			Estimated performance	Medium-term targets	
	2006/07	2007/08	2008/09		2010/11	2011/12
1.1 Number of target group specific opportunities identified					1 000	1 500
1.2 Number of target group specific interventions					100	120
1.3 Number of target group specific opportunities realised					100	150

Provincial performance indicators							
Programme performance indicator	Audited/Actual performance			Estimated performance	Medium-term targets		
	2006/07	2007/08	2008/09		2009/10	2010/11	2011/12
1.1	Number of private sector engagements to support economic empowerment				5	10	15
1.2	Number of inter-Departmental and municipal engagements promoting economic empowerment				17	17	17

Quarterly targets for 2010/11						
Sector specific performance indicators						
Performance indicator	Reporting period	Annual target 2010/11	Quarterly targets			
			1st	2nd	3rd	4th
1.1	Number of target group specific opportunities identified	1000	150	400	300	150
1.2	Number of target group specific interventions	100	30	30	10	30
1.3	Number of target group specific opportunities realised	100				100

Provincial performance indicators						
Performance indicator	Reporting period	Annual target 2010/11	Quarterly targets			
			1st	2nd	3rd	4th
1.1	Number of private sector engagements to support economic empowerment	5		2	2	1
1.2	Number of inter-Departmental and municipal engagements promoting economic empowerment	17	5	8	4	



SUB-PROGRAMME 2.4 WORKFORCE DEVELOPMENT

Strategy 1: Enhancing cohesion between all provincial and national stakeholders, to ensure an environment conducive to skills development

The Western Cape Provincial Growth and Development Strategy (iKapa GDS) has encapsulated the national vision and strategic objectives of the Accelerated and Shared Growth Initiative for South Africa (AsgiSA) and the National Industrial Policy Framework (NIPF), providing the strategic framework for accelerated and shared economic growth in the Province. At the national level, the NIPF highlights the need for targeted interventions by Government within specific sectors to promote economic growth. Furthermore, the MEDS and the Provincial Industrial Development Strategy (PIDS) Provides the strategic framework for public-sector interventions in various economic sectors.

The Department drives the MEDS; however, it is crucial that all relevant provincial departments (including the Department of Education – DoE) collaborate to achieve the skills development and job creation targets. Collaboration between the Department and the DoE is necessary, as the MEDS interventions need to be grounded in the latter's youth-focused Human Capital Development Strategy (HCDS). The intention is for the HCDS to be utilised as the foundation of any skills development strategy for the Province, whether it be undertaken by Government departments, public education and training institutions, or donors and social responsibility programmes. The HCD's should also develop human resource and training plans, and support educational and vocational training programmes in schools and Further Education and Training (FET) colleges.

A Human Resource Development (HRD) body is intended to include the Provincial Government Task Team, the Department of Labour's Provincial Office, Department of Education SETAs, the Cape Higher Education Council (CHEC) and other social partners, including business, labour and civil society. This body should build the institutional capacity and cohesion among key role-players to identify, build, retain and attract skills, thereby addressing any mismatches. This HRD body, together with the Department will ensure that there is a better intermediate skill provision, through the following proposed ways:

- Improved co-ordination between national and provincial structures (the Western Cape Education Department (WCED) has already built linkages between public colleges and SETAs);
- Increased co-ordination between different stakeholders (such as closer liaison between schools, colleges and industry) in order to ensure that college programmes meet skills needs, thus increasing employment prospects of graduates;

- Incentives provision to employers to participate in accredited intermediate training and learnerships; and
- Greater collaboration between the Department of Labour, the WCED and the Department of Environmental Affairs and Tourism (DEAT).

Strategy 2: Improved alignment of FET activities with the Department's priority sectors

One of the bigger challenges faced by the FET sector is to align FET course offerings with the growth and development needs of the Province, specifically the priority sectors identified in the MEDS. Presently, few FETs offer training in Oil and Gas, Call Centres, Business Process Outsourcing (BPO), etc. Also, there is low enrolment in the physical, mathematical and computer life sciences fields (ICT-related). There needs to be collaboration between FET colleges and the Province, which the Department will facilitate, this is evidenced in the supportive relationship with the WCED regarding the facilitation of SETAs relationships. Additionally, greater collaboration is necessary between schools, colleges and industry. Incentives are needed for employers to become involved in learnerships and training. The relevant Government departments must work together. The FET management information system must be strengthened, in order to evaluate progress in supplying the economy with the skills it requires.

For the period 2010/11, the Department intends through the CEO Forum for FET colleges and the WCED to meet the challenges mentioned earlier, by doing the following:

- Initiate the establishment and maintenance of a database of learnerships in the Province;
- Set targets for learnerships in areas identified by MEDS;
- Identify, plan, and provide resources to alleviate constraints for the expansion and completion of learnerships;
- Develop and pilot placement instruments;
- Track learner completion and job placement;
- Increase the number of learnerships offered and completed in areas identified by MEDS;
- Student financial aid schemes should target priority areas and student funding should be made more accessible; and
- Seek adequate buy-in from business (via the DoE) for the new National Qualifications Framework (NQF) programmes, so that artisan training may be better supported and more successful.

The successful achievement of these interventions will result in greater alignment between the skills of learners and that required by industry. This should translate into improved employability of learners and, ultimately employment.



Strategy 3: Improved collaboration between SETAs and the Department

The role of the SETAs are to develop sector skills plans; develop and register learnership programmes; approve workplace skills plans; monitor training and education in the sector; provide quality assurance to qualifications and programmes; and disburse national skills development levy funds. Through formalising of the existing relationship with the SETAs the Department can achieve cohesion among institutions and role-players. These are necessary conditions for reaching and implementing a provincial HRD strategy that has the support and buy-in of all stakeholders.

Provincial operations are problematic for SETAs, as the SDA makes no provision for “provincial SETAs”. Most SETAs therefore have limited decentralisation, partly due to the costs involved, and have not disaggregated their Sector Skills Plans (SSP) to a provincial level.

The Department has previously commissioned research to identify processes for more collaboration and coordinated planning between SETAs and the provincial social partners, led by the PGWC. This research focused on the SETAs involved in the priority sectors identified by the Micro Economic Development Strategy (MEDS) for the Western Cape: Oil and Gas, Call Centre/BPO, Tourism and ICT, and Film/Craft.

The Department (and the Provincial Government, more generally) seek more collaboration with SETAs, in order to ensure training in MEDS-priority areas. The Western Cape SETA Cluster, established in 2005, enables the SETAs to approach provincial skills development in a more co-ordinated way. The aim is to stimulate discussion amongst relevant stakeholders and to establish linkages with other initiatives dealing with skills development in the Province. The SETA Cluster also provides provincial feedback to SETAs, highlighting specific interventions required by the Province. The Department has formed a collaborative relationship with the SETA Cluster built on the existing Memorandum of Understanding (MOU) with the SETAs and signed a Memorandum of Agreement (MOA) that outlines strategic guidelines and identifies projects to implement strategy. The main project collaboration is the Work and Skills for 100 000. By assisting sectors to leverage funds and to gain appropriate and relevant skills training, the Workforce Development unit, as well as the Work and Skills for 100 000 for 2010/11, intend to ensure that the following is achieved with the SETA Cluster:

- Leverage funds;
- Identify potential host companies;
- Develop systems for formalising learning in the workplace;
- Provide potential learner participation;
- Facilitate the needs between the broad skills objective of

the PGWC, the SETA Cluster and of the economy;

- Leverage partners for the development and monitoring of quality curriculae development; and
- Maintain SETA databases to be easily accessible by those that require information.

Strategy 4: The Department to enhance its role as “unlocker/unblocker” of skills funding

The main objective is the empowerment of individuals through HRD interventions by the facilitating of 6 400 jobs over 4 years and leveraging R50 million over 5 years from strategic partners to achieve this.

Overall, the Department needs to focus on institutional cohesion to unlock funding and create a conducive environment. Sector skills interventions, with the greatest potential to deliver on outcomes, need to be prioritised. Gaining departmental and industry buy-in is critical to mobilising resources for skills development. It is also important to keep in mind the broader strategic role of the Department to encourage the growth of innovative and economically strategic hubs which will, in turn attract investment and enhance the local skills base. The Department intends building the foundations in 2010/11 to achieve the target of R50 million leveraged over 5 years through the following:

- The Department will systematically explore opportunities to establish Public-Private Partnerships, or similar intergovernmental relationships, to link vocational training initiatives to private sector enterprise. Partnering with industry would encourage apprenticeships and workplace experiential learning (learnerships and otherwise) of FET students/graduates. The Work and Skills for 100 000 is a good example of how SETAs and firms have jointly funded training, on-the-job-learning for a year with stipends, and appropriate curriculae development. This project will continue in 2010/11, focussing on the following sectors: Oil and Gas, ICT, BPO and Tourism.
- As part of funding recruitment, the Department will share closer collaborations with other programmes, such as the Learning Cape Initiative (LCI), Expanded Public Works Programme (EPWP), Centre for Extended Learning (CEL), and the Cape Higher Education Consortium (CHEC).
- The Department will broaden its resource base, utilising national and/or international funding to tackle skills development. It will strengthen its application to the National Skills Fund and the SEDA incubation funds through collaborating with the SETAs in a joint proposal for the Western Cape. A database of international funders, who operate in the domain of the Department, will be sourced and a plan will be devised to develop funding material and approach funders systematically.

Strategic Objective	To create and promote an Enabling business environment through co-ordinating and directing HRD activities in the Western Cape.
Objective Statement	To facilitate a conducive environment for skills development through development and rolling out of Provincial Human Resource Development Strategy, formation of provincial skills development partnership structure, resulting in R 50 million of skills funds leveraged, and facilitation of job placement and skills programme to 4500 youth beneficiaries.
Baseline	Initial Baseline information is not available
Justification	Through co-funded and collaborative HRD interventions the Department facilitates individuals to either become employed or achieve improved employment. Pooling resources, ensuring the establishment of a functional HRD body, facilitation that appropriate learning is transferred and deepening skills interventions will enable greater value for money, increased number of jobs facilitated and prevent duplication of activities. The Western Cape Human Resource Strategy will allow for greater integration and cohesion of HRD activities.
Links	Medium Term Strategic Framework, MEDS, Workforce Development Strategy and JIPSA, National Skills Fund

Strategic objective annual targets for 2010/11							
Strategic objective (outcome indicator)	Audited/Actual performance			Estimated performance	Medium-term targets		
	2006/07	2007/08	2008/09		2009/10	2010/11	2011/12
1.1 Number of jobs facilitated				600	800	2 000	3 000
1.2 Functioning provincial HRD body represented by all stakeholders				1	1	1	1
1.3 Value of funding leveraged					R10 million	R10 million	R10 million

Performance indicators and annual targets for 2010/11							
Provincial performance indicator	Audited/Actual performance			Estimated performance	Medium-term targets		
	2006/07	2007/08	2008/09		2009/10	2010/11	2011/12
1.1 Number of people trained				500	500	600	750
1.2 Number of HRD projects supported				16	6	6	6
1.3 Number of collaborative interventions between stakeholders				3	3	3	5

Quarterly targets for 2010/11						
Provincial performance indicators						
Performance indicator	Reporting period	Annual target 2010/11	Quarterly targets			
			1st	2nd	3rd	4th
1.1 Number of people trained	Quarterly	500			250	250
1.2 Number of HRD projects supported	Quarterly	6	1		2	3
1.3 Number of collaborative interventions between stakeholders	Quarterly	3	1		1	1

Reconciling performance targets with the Budget and MTEF													
Expenditure estimates													
Integrated Economic Development Services													
Sub-Programme	Audited outcomes					Adjusted appropriation			Medium-term expenditure estimate				
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2010/11	2011/12	2012/13	2010/11	2011/12	2012/13
R thousand													
1. Enterprise Development	28 232	34 591	31 021	35 338	40 170	41 543	43 192						
2. Regional and Local Economic Development	14 481	22 244	6 327	12 613	9 277	10 360	10 645						
3. Economic Empowerment	2 054	2 363	4 507	4 741	3 771	4 025	4 680						
4. Workforce Development	2 827	5 048	26 276	27 989	13 595	14 100	14 700						
5. Management: IEDS	1 152	823	180	1 496	1 648	1 700	1 760						
Subtotal	48 746	66 069	68 311	82 177	68 461	71 728	74 977						
Economic classifications													
Current payments	16 625	19 125	19 243	22 116	18 716	19 728	20 757						
Compensation of employees	6 937	7 387	10 332	11 971	13 711	14 390	15 022						
Goods and services	9 328	11 738	8 911	10 145	5 005	5 338	5 735						
of which:													
Assets-<R5000	53	102	234	234	41	50	50						
Audit Cost External													
Communication	169	322	331	188	200	230	250						
Cons/prof Business and advisory services	6 043	8 561	4 900	7 960	3 372	3 550	3 800						
Agency and support/outsourced services			8										
Entertainment	4	11	10	22	24	28	30						
Inventory: Stationery and Printing	51	67	88	97	100	120	130						

Sub-Programme	Audited outcomes				Adjusted appropriation			Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13			
R thousand										
Lease Payments	81	24	29		72	75	75			
Transport provided departmental activity			4							
Travel and subsistence	631	691	859	958	324	340	370			
Training and staff development	5	42	44	70	120	135	150			
Venues and facilities	603	427	655							
Printing and publications										
Other	1 688	1 491	1 757	616	752	810	880			
Transfers and subsidies to:	32 308	46 470	48 759	59 911	49 700	51 900	54 100			
Provinces and municipalities	4									
Departmental agencies and accounts	1 500	1 500	1 123							
Universities and technikons										
Public corporations and private enterprises	30 300	39 920	34 686	45 900	48 500	50 500	52 500			
Foreign governments and international organisations										
Non-profit institutions	500	5 050	12 950	14 011	1 200	1 400	1 600			
Households	4									
Payments for capital assets	150	458	309	150	45	100	120			
Buildings and other fixed structures										
Machinery and equipment	150	458	309	150	45	100	120			
Cultivated assets										
Software and other intangible assets										
Land and subsoil assets										
Payments for financial assets	23	16	1							
Total	48 746	66 069	68 311	82 177	68 461	71 728	74 977			

Performance and expenditure trends

- In lieu of the new focus and new interventions within the Programme, funding in the early stages of the 5 years will go towards the set-up of new programmes, i.e. the Spatial Economic Fund, Mentorship Legacy Programme and Procurement Promotion Programme.
- Funding for the elevation of intervention will be required in the next 3 years. This may be necessary if the uptake by the private sector increases to higher levels than anticipated. The funds leveraged will result in additional projects not mentioned in the Annual Performance Plan. Thus, the capacity of the Programme would require additional resourcing in the mid-term.
- The current funding for the Programme has been reduced and there has also been a shift in the approach, compared to the past five years. There needs to be investment in the systems to enable the Programme to report appropriately on the new approach and the deliverables expected.
- The majority of the Sub-programmes within the Programme are not fully capacitated, mainly the Workforce Development unit. The skills levels of staff would need to be elevated to equip the directorate to deliver on the new projects and the new mandate.
- The Programme will enter into partnership with municipalities, other provincial departments, national Government and the private sector to solicit funding resource support in order to deliver on its mandate.



PROGRAMME 3: TRADE AND SECTOR DEVELOPMENT

Purpose

To stimulate economic growth through industry development, trade and investment promotion.

Programme structure:

- Sub-programme 1: Trade and Investment Promotion
- Sub-programme 2: Sector Development
- Sub-programme 3: Strategic Initiatives
- Sub-programme 4: Management Trade and Sector Development

Situational Analysis

Performance delivery environment

The Accelerated and Shared Growth Initiative of South Africa (AsgiSA) is the current prevailing national directive, seeking to avoid the hollowing out of the economy, and to overcome the challenge that a third of the population is currently not benefiting directly from South Africa's relative economic success. National Government identified a set of six binding constraints within the economy, including the volatility and level of the currency; cost, efficiency and capacity of the national logistics system; the shortage of skills; limited new investment opportunities and limited competition; the regulatory environment and the burden on SMEs; and deficiencies in state capacity and leadership. AsgiSA is structured to address these challenges through a package of six key interventions. While two of these interventions are dealt with at a national level, four interventions form an integral part of the Programme's strategies and activities. They are: infrastructure programmes; sector strategies; and skills and education initiatives; and second economy interventions.

The National Industrial Policy Framework (NIPF) provides further direction within the broader parameters of AsgiSA, setting out the dti's approach to South Africa's industrialisation trajectory. NIPF seeks to facilitate diversification and intensification of the country's economy, with a particular emphasis on employment creation, as well as broader participation and contribution towards the African regional economies. The thirteen thrusts outlined within the National Industrial Framework have varying degrees of direct relevance to the Province and the Department. Within the context of Programme 3, six themes within the NIPF have applicability, namely sector strategies; skills and education for industrialisation; industrial upgrading; innovation and

technology; spatial and industrial infrastructure; and co-ordination, capacity and organisation.

On a provincial level, the Western Cape's Growth and Development Strategy highlights the Micro-economic development strategy as a critical pillar to achieve the overall iKapa objectives of "growing and sharing the economy" and "fostering greater spatial integration". The MEDS frames the Department's economic sectoral and thematic strategic approach to economic development. Solidly embedded in extensive research and evidence-based studies, the MEDS sector strategies within the Department seek to accelerate growth, create employment, increase ownership of the economy and ensure that industries become globally competitive in line with the overall goals of the NIPF and the iKapa Elihlumayo.

SUB-PROGRAMME 3.1 TRADE AND INVESTMENT PROMOTION

Strategy 1: Investment and Trade Promotion

Through its public entity, Wesgro, and network of internationally-interfacing organisations, the Province will proactively attract, facilitate, and retain foreign investment. It will promote exports and market access through the application of best practice methodology and focused targeting. The implementation for 2010/11 includes:

- Identifying opportunities within sectors and targeting potential investors;
- Facilitating inward investments through hand-holding assistance; and
- Assisting existing and potential exporters with market access to international markets.

Strategy 2: Cape Marketing Alliance

The Cape Marketing Alliance will seek to bring together relevant stakeholders in the Western Cape to create a coherent marketing message and a shared image of the region. It will strive to accommodate the needs of the various stakeholders and to provide a forum, which addresses cross-cutting challenges that can only be overcome through joint initiatives or collective effort.

The implementation for 2010/11 includes:

- The establishment of the Alliance Forum; and
- Identifying and activating one cross-cutting initiative through the Alliance Forum.

Strategic Objective	The stimulation, facilitation and increase of economic growth and opportunities through export and investment promotion.
Objective Statement	To facilitate employment, effective global participation and economic growth through attracting, between R3, 8 billion to R7, 4 billion worth of trade and investment, and the facilitation of between 3800 and 7400 jobs, as well as leveraging R5-million worth of funding from stakeholders.
Baseline	No of jobs facilitated/sustained = 1,000 Value of investments and exports = R700-million Value of funding leveraged = 0
Justification	Direct investment brings into the economy additional technology, expertise and foreign exchange, and through activities previously not undertaken in the Province, creates jobs, while exports by globally competitive companies ensure the sustainability (and growth) of jobs within exporting businesses and additional revenue into the country. This contributes towards achieving above-average sustainable economic growth. Contributing towards the identified outputs and outcomes are interventions promoting the image of the Province as a quality destination in which to do business or consume services resulting in increased demand; facilitate and recruit inward investment; offer supply side assistance to increasing businesses' capacity to take advantage of demand-side measures; and open new markets and generating demand from business and consumers outside the Western Cape in order to create decent jobs and work opportunities within firms as a result of a growth in demand.
Links	Attracting investment and increasing exports are key objectives in the National Industrial Action Plan, the Western Cape Strategic Framework and the Provincial Growth and Development Strategy.

Strategic objective annual targets for 2010/11							
Strategic objective (outcome indicator)	Audited/Actual performance			Estimated performance	Medium-term targets		
	2006/07	2007/08	2008/09		2009/10	2010/11	2011/12
1.1 Value of investments and trade		R732 million	R3 082 million	R1 000 million	R650 million to R1. 3 billion	R742 million to R1.4 billion	R765 million to R1.479 billion
1.2 Number of jobs facilitated/sustained		5 708	6 095	4 000	650 to 1 300	742 to 1 400	765 to 1 479
1.3 Value of funding leveraged					R50 000	R200 000	R200 000

Performance indicators and annual targets for 2010/11							
Sector specific performance indicator	Audited/Actual performance			Estimated performance	Medium-term targets		
	2006/07	2007/08	2008/09		2009/10	2010/11	2011/12
1.1 Number of investments projects realised				12	6	7	10
1.2 Number of businesses assisted with exports		249	330	100	183	185	224

Provincial performance indicators							
Programme performance indicator	Audited/Actual performance		Estimated performance	Medium-term targets			
	2006/07	2007/08		2008/09	2009/10	2010/11	2011/12
1.1	Number of new investments in the pipeline				25	25	25
1.2	Number of stakeholder members				10	13	15
1.3	Number of joint interventions				1	2	2

Quarterly targets for 2010/11						
Sector specific performance indicators						
Performance indicator	Reporting period	Annual target 2010/11	Quarterly targets			
			1st	2nd	3rd	4th
1.1	Number of investments projects realised	6				6
1.2	Number of businesses assisted with exports	183	10	10	25	138

Provincial performance indicators						
Performance indicator	Reporting period	Annual target 2010/11	Quarterly targets			
			1st	2nd	3rd	4th
1.1	Number of new investment projects in the pipeline	25		5	10	10
1.2	Number of stakeholder members	10				10
1.3	Number of joint interventions	1				1

SUB-PROGRAMME 3.2 SECTOR DEVELOPMENT

Strategy 1: Clustering

The cluster approach is based on the fact that competitive advantage is not created by a single firm, but rather each firm is inherently part of a 'cluster' of activities made up of businesses along the value-chain as well as related and supporting organisations. Through this approach, the Department will support clustering initiatives, with a specific emphasis on cluster bodies becoming sustainable and self-sufficient in addressing market and network failure. These clusters will serve as an interface dialogue between Government and the private sector and other stakeholders. They will provide a source of intelligence to Government with respect to trends and challenges experienced within the industry.

The implementation for 2010/11 includes:

- Supporting 11 clusters within the Province;
- Leveraging R18 million from stakeholders from the R6,450 000 departmental support to the non-priority clusters;
- Leveraging R30 million from stakeholders from R15,5 million departmental support to priority sectors;
- Assisting the clusters in the production of economic sector indicator reports; and
- Hosting the SPV Forum in order to share intelligence and best practice, as well as develop industry synergies and competitiveness amongst the clusters.

Information and Communications Technology

The ICT strategy includes clustering and partnerships with the private sector. Given the provincial thrust towards incubation and innovation, this will include the expansion of the successful Bandwidth Barn incubation model. There will also be an emphasis on skills development, given that this is a knowledge-intensive industry, which is experiencing a shortage of skills. Over and above this, the unit will assist the Strategic Initiatives unit to act as a catalyst for improving the telecommunication infrastructure environment within the region.

The implementation for 2010/11 includes:

- Initiate a pilot skills development project;
- Submit a large-scale skills project plan for funding;
- Build alliances with Silicon Cape and the Cape IT Initiative;
- Support 70 entrepreneurs in the Bandwidth Barn;
- Submit a plan for the expansion of the Bandwidth Barn; and
- Provide technical input to the telecommunication infrastructure initiative.

Business Process Outsourcing

The two key thrusts of the Business Process Outsourcing strategy revolves primarily around growing this young industry through clustering and investment promotion and supporting this growth with skills development programmes that address both entry level skills and the expansion of managerial talent. Additionally, progress made with regards to the telecommunications infrastructure will have a significant positive impact on the sector.

The implementation for 2010/11 includes:

- Proactive promotion of investment and outsourcing within the Business Process Outsourcing industry;
- Attraction of R80 million investment into the BPO industry;
- Exploration of additional niche markets within the Business Process Outsourcing sector;
- Skills programme for 200 entry-level contact centre agents; and
- Support skills programme for 50 middle managers.

Oil and Gas Services Industry

In addition to supporting the cluster body, tackling the skills shortage within the industry and addressing the infrastructure constraints within the Port of Cape Town will be critical to the growth and development of the Oil and Gas service industries. A system of standards also needs to be developed for the industry, in order to meet strict international compliance certification.

The implementation for 2010/11 includes:

- Support the development of assessment tools and recognition of prior learning within the industry;
- Address operational inefficiencies within the Port of Cape Town;
- Development of an operating model for the Oil and Gas Industry within the Port of Cape Town;
- Create a directory of Oil and Gas stakeholders towards developing supplier capacity and capabilities to attain quality standards;
- Upskilling 150 artisans;
- Submit a detailed business plan for large-scale skills development for artisans, together with the private sector; and
- Attracting R100 million worth of Oil and Gas projects into the Western Cape.

Strategic Objective	To support and develop economic sectors as a key contributor towards the achievement of maximising economic opportunities, sustainability and growth.
Objective Statement	To develop and grow businesses in prioritised sectors to facilitate and sustain 8,743 jobs, increase 342 businesses expanded and/or sustained, facilitate R640-million of investment and exports, leverage R527.8-million from stakeholders.
Baseline	No of jobs facilitated/sustained = 0 No of businesses expanded = 0 Value of stakeholder contributions = R29.2-million Value of investment and exports = R100-million
Justification	Stimulating and supporting the development of sectors will be achieved through a range of initiatives targeting existing businesses within the relevant sector, and potential entrepreneurs and employees entering the industry. The initiatives will increase global competitiveness of enterprises operating within the sector, and facilitate demand access opportunities to facilitate the sustainability and growth of firms and employees within the affected firms. The expansion of firms will then also contribute towards above-average growth in the economy. The range of interventions offered to firms have a common purpose, namely to increase the number of sustainable jobs, to increase the expansion of firms, and to increase the number of new firms within the sector. The interventions will differ in intensity, priority and content, depending on the unique needs of the sector, and will (1) help established firms to help new suppliers come into existence and to help other suppliers expand through procuring preferentially; (2) offer supply-side assistance to increasing firms' capacity to take advantage of demand-side measures; (3) offer benchmarking services; (4) offer innovation and technology services; (5) increase the skills of targeted firms' management and employees; (6) facilitate sector development through keeping firms well informed about developments in their sectors; (7) increase the skills and experience of members of the workforce to increase their capacity to fill "skills gap" vacancies; (8) increase the skills and experience of low-skilled individuals to assist them to compete for employment effectively; (9) offer advice and services in all localities; (10) offer advice and services in localities in which per capita GPP is low; and/or (11) implement transformation programmes.
Links	Developing and assisting sector development are key objectives in the National Industrial Action Plan, the Western Cape Strategic Framework and the Provincial Growth and Development Strategy in order to transform the economy and achieve above average growth.

Strategic objective annual targets for 2010/11						
Strategic objective (outcome indicator)	Audited/Actual performance			Estimated performance	Medium-term targets	
	2006/07	2007/08	2008/09		2010/11	2011/12
1.1 Number of jobs facilitated/sustained				360	1 243	1 888
1.2 Number of businesses expanded/sustained					42	60
1.3 Value of funding leveraged			R29.2 million	R29 million	R65 million	R71 million
1.4 Value of investments and trade				R180 million	R200 million	R200 million

Performance indicators and annual targets for 2010/11									
Sector specific performance indicators									
Programme performance indicator	Audited/Actual performance				Estimated performance	Medium-term targets			
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13	
1.1	Number of people trained	3 324	8 204	831	400	2 000	3 000		
1.2	Number of businesses assisted with proactive interventions	1 843	4 926	600	70	70	100		

Provincial performance indicators									
Programme performance indicator	Audited/Actual performance				Estimated performance	Medium-term targets			
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13	
1.1	Number of clusters	13	16	15	11	10	8		
1.2	Number of members in clusters		11 200	1 670	1 221	1 658	1 824		
1.3	Number of economic sector indicator reports				10	13	13		

Quarterly targets for 2010/11									
Sector specific performance indicators									
Performance indicator	Reporting period	Annual target 2010/11	Quarterly targets						
			1st	2nd	3rd	4th			
1.1	Number of people trained	400			100	300			
1.2	Number of businesses assisted with proactive interventions	70			30	40			

Provincial performance indicators									
Performance indicator	Reporting period	Annual target 2010/11	Quarterly targets						
			1st	2nd	3rd	4th			
1.1 Number of clusters	Annually	11				11			
1.2 Number of economic sector indicator reports	Annually	10				10			
1.3 Number of members in ICT cluster	Quarterly	200	20	80	100	200			
1.4 Number of members in BPO cluster	Quarterly	150	30	60	100	150			
1.5 Number of people trained in BPO	Quarterly	250			100	150			
1.6 Number of members in Oil & Gas cluster	Quarterly	120	30	60	110	120			
1.7 Number of people trained in the Oil and Gas industry	Annually	150				150			
1.8 Number of members in Boat-building cluster	Quarterly	80	20	40	60	80			
1.9 Number of members in CMT cluster	Quarterly	254	30	50	150	254			
1.10 Number of members in Clothing & Textile Cluster	Quarterly	29	29	29	29	29			
1.11 Number of members in Fashion Cluster	Quarterly	215	60	100	200	215			
1.12 Number of members in tooling cluster	Quarterly	43	5	15	30	43			
1.13 Number of members in Furniture cluster	Quarterly	50	5	20	35	50			
1.14 Number of members in fine food cluster	Quarterly	30			30	30			
1.15 Number of members in aquaculture cluster	Quarterly	50		10	30	50			

SUB-PROGRAMME 3.3 STRATEGIC INITIATIVES

Strategy 1: Infrastructure Development

Key economic infrastructure projects have been identified for the creation of an enabling economic environment for businesses and specific industries, to develop and maintain competitiveness. In addition to the Port of Cape Town and Telecommunication infrastructure projects, the Department will be exploring, driving and co-ordinating two other projects during the MTEF period, namely the Design Precinct and the Saldanha Industrial Development Zone (IDZ).

The implementation for 2010/11 includes:

- Planning and initiation of phase 1 of the Design Precinct;
- Co-ordination of stakeholders, including local and national players;
- Development and finalisation of a feasibility study on Saldanha IDZ;
- Submission of Saldanha IDZ proposal to Cabinet; and
- Submission of a letter of intent to the dti regarding the Saldanha IDZ, subject to Cabinet approval.

Strategy 2: Innovation

Innovation has been identified as an important driver of competitiveness within economies. It is central to the increase of innovation and commercialisation in collaboration between Government, academia, businesses and other relevant stakeholders. The key thrust of the Department, together with Department of Science and Technology (DST), will be to build this collaboration through the establishment and support of the Regional System of Innovation.

The implementation for 2010/11 includes:

- Establishment of a regional system for the innovation forum/council;
- Co-ordination of stakeholder meetings (including CHEC) to strengthen buy-in;
- Identification of at least one key innovation initiative; and
- Advocacy on intellectual property rights, with a view to addressing regulatory constraints.

Strategic Objective	Grow and develop the provincial economy and facilitate economic opportunities through development of strategically competitive and/or infrastructural initiatives.
Objective Statement	To facilitate the implementation of strategic programmes to create 3,100 sustainable jobs, facilitate R1-billion of economic infrastructure and leverage R20-million worth of funding from stakeholders.
Baseline	No of sustainable jobs facilitated/sustained = 0 Value of infrastructure = 0 Value of funding leveraged = 0
Justification	Strategic Initiatives are primarily about improving the enabling economic environment in which businesses operate to improve their competitiveness and to overcome barriers to growth.
Links	Developing and assisting infrastructure and strategic initiatives are key objectives in AsgiSA, the Western Cape Strategic Framework and the Provincial Growth and Development Strategy in order to create a proper business environment and achieve above-average, equitable growth.

Strategic objective annual targets for 2010/11						
Strategic objective (outcome indicator)	Audited/Actual performance			Estimated performance	Medium-term targets	
	2006/07	2007/08	2008/09		2010/11	2011/12
1.1 Number of sustainable jobs facilitated/sustained					100	1 000
1.2 Value of infrastructure investment					R100 m	R1 000 m
1.3 Value of funding leveraged					R200 000	R200 000

Performance indicators and annual targets for 2010/11						
Sector specific performance indicator	Audited/Actual performance			Estimated performance	Medium-term targets	
	2006/07	2007/08	2008/09		2010/11	2011/12
1.1 Number of people trained						
1.2 Number of infrastructure projects supported			2	5	5	5

Provincial performance indicators							
Programme performance indicator	Audited/Actual performance		Estimated performance	Medium-term targets			
	2006/07	2007/08		2008/09	2009/10	2010/11	2011/12
1.1	Number of members in innovation forum				30	100	200
1.2	Number of substantive engagements with stakeholders regarding innovation				12	18	24

Quarterly targets for 2010/11						
Sector specific performance indicators						
Performance indicator	Reporting period	Annual target 2010/11	Quarterly targets			
			1st	2nd	3rd	4th
1.1	Number of people trained					
1.2	Number of infrastructure projects supported	5	3	5	5	5

Provincial performance indicators						
Performance indicator	Reporting period	Annual target 2010/11	Quarterly targets			
			1st	2nd	3rd	4th
1.1	Number of members in innovation forum	30				30
1.2	Number of substantive engagements with stakeholders regarding innovation	12	3	3	3	3

**Reconciling performance targets with the Budget and MTEF
Expenditure estimates
Trade and Sector Development**

	Audited outcomes				Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13
Sub-Programme								
R thousand								
1. Trade and Investment Promotion	11 222	11 714	20 537	16 650	15 000	16 000	17 000	
2. Sector Development	23 418	26 275	22 408	29 042	34 072	38 355	39 179	
3. Strategic Initiatives	3 167	973	1 365	6 880	3 918	4 966	5 950	
4. Management Trade and Sector Development	1 080	1 494	3 867	1 886	1 752	1 800	1 875	
Subtotal	38 887	40 456	48 177	54 458	54 742	61 121	64 004	
Economic classification								
Current payments	7 022	10 961	12 029	12 412	17 552	25 271	28 354	
Compensation of employees	3 911	4 650	6 653	7 308	11 183	11 794	12 322	
Goods and services	3 111	6 311	5 376	5 104	6 569	13 477	16 032	
of which:								
Assets<R5000	136	4	142	198	84	100	120	
Audit Cost External								
Communication	81	121	202	172	217	230	250	
Cons/prof Business and advisory services	1 107	4 405	2 502	3 540	5 241	11 997	14 345	
Agency and support/outsourced services								
Entertainment	5	5	5	25	26	30	30	
Inventory, Stationery and Printing	47	55	88	50	50	60	80	
Lease Payments	831	943	1 029		59	65	75	
Transport provided departmental activity			4					
Travel and subsistence	414	306	515	563	294	320	360	
Training and staff development	19	7	18	60	101	120	150	
Venues and facilities	72	104	28	64	65	70	80	
Printing and publications								
Other	399	361	843	432	432	485	542	
Transfers and subsidies to:	31 789	29 306	35 762	41 896	37 150	35 750	35 550	

Sub-Programme	Audited outcomes				Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13
R thousand								
Provinces and municipalities	3							
Departmental agencies and accounts	10 791	10 800	21 856	19 325	15 000	17 000	18 000	
Universities and technikons	2 000		37	450				
Public corporations and private enterprises			69	1 000				
Foreign governments and international organisations								
Non-profit institutions	18 995	18 502	13 800	21 121	21 950	18 750	17 550	
Households		4						
Payments for capital assets	76	189	369	150	40	100	100	
Buildings and other fixed structures								
Machinery and equipment	76	189	369	150	40	100	100	
Cultivated assets								
Software and other intangible assets								
Land and subsoil assets								
Payments for financial assets			17					
Total	38 887	40 456	48 177	54 458	54 742	61 121	64 004	

Performance and expenditure trends

- Budgets for Year 1(2010/11) of the five year plan have been cut from an initial +R90 million to R53 million. Given the emphasis placed on leveraging funding from other stakeholders, performance targets have been maintained. However, the Programme faces a risk in not realising its strategies and not delivering on its targets should leveraged funding not materialise or be delayed.
- The global economic climate for investment and trade has placed pressure on maintaining past performance of Foreign Direct Investment (FDI) and exports.
- Current performance targets have accommodated the projections for the deliverables as this is the onset of the 5-year plan.
- Targets and projections have incorporated expectations that the South African economy will experience 2.4% GDP growth in 2010/11 (IMF). As a result, Government revenue will increase and budgets will accordingly be positively adjusted upwards.



PROGRAMME 4: BUSINESS REGULATION AND GOVERNANCE

Purpose

To ensure an equitable, socially responsible business environment in the Western Cape – through general interventions within the trading environment and through specific interventions mandated by the Constitution and national and provincial legislation and policies.

Programme structure:

- Sub-programme 1: Regulation Services
- Sub-programme 2: Consumer Protection
- Sub-programme 3: Liquor Regulation

Situational Analysis

Performance delivery environment

Regulation was, once generally viewed as anti-development and a negative force in an environment seeking to grow the economy. It has however, in recent years come to be seen as an enabling factor, ensuring that all the economic role-players (consumers, enterprises and the various levels of Government) co-operate in a legally secure and predictable environment, structured towards economic growth and transformation. There is a growing realisation on the part of the business sector that economic growth should not be at the expense of equity. Fairness to consumers and the espousal of responsible trading and production practices can serve as competitive advantages that will stand them in good stead in a globalised economy, where competition will increasingly be against foreign rivals as opposed to local ones. The approach adopted by Government is to establish and implement mechanisms that will unlock the benefits of the country's robust economic growth, whilst minimising social costs by striving towards social objectives such as:

- Reducing personal debt;
- Providing affordable and transparent access to credit;
- Developing social and economic infrastructure; and
- Putting measures in place to combat the negative social consequences of the regulated industries.

In addition, the Western Cape carries heavy social burdens that need to be addressed through appropriate and effective regulatory measures. It has, for example:

- The highest incidence of foetal alcohol syndrome in the world;
- The highest teenage pregnancy rate in the country, often linked to alcohol abuse;

- High levels of substance abuse in the country;
- Very high rates of domestic abuse and violent crime; and
- Its population is, in line with the rest of the country, heavily over-indebted.

It is against this backdrop that the Department, as the driver of economic development in the Province, commits itself to promotion of social responsibility in the trading environment. It is against this backdrop that the Business Regulation and Governance Programme has designed its strategic interventions to fully meet the need of the citizens of the Western Cape.

Sub Programme 4.1: Regulation Services

The strategy of Regulation Services is aimed at ensuring that possible regulatory barriers that inhibit business growth and development are identified and addressed by way of policy or legislative intervention.

Sub Programme 4.2: Consumer Protection

The strategies of the Office of the Consumer Protector (OCP) are specifically aimed at addressing the following areas:

- **Consumer Rights Awareness:** Specific programmes will be implemented to stimulate and enhance the levels of awareness amongst consumers of the Province about a variety of consumer rights and obligations issues. The strategy is also specifically geared at addressing the low levels of financial literacy awareness amongst different categories of consumers in the Province.
- **Consumer Redress Services:** This strategy is intended to provide adequate statutory protection measures to consumers that may have been the victim of an unfair business practice. The operationalisation of the Western Cape Consumer Affairs Tribunal, as well as the provision of alternative dispute resolution services to consumers will be the focal area of this strategy.
- **Regional OCP Offices:** This strategy is specifically geared towards enhancing the "footprint" of the OCP in regions across the Province. This will ensure that all citizens across the Province will have an accessible consumer advisory and redress service within their respective regions.
- **Strategic Partnerships:** The formulation of strategic partnerships with key stakeholders within the consumer protection environment will ensure that key priorities will be achieved consistently. This will contribute towards the enhancement of the role played by the OCP across the Province.

Sub-programme 4.3: Liquor Regulation

The strategies of Liquor Regulation are aimed at addressing the following areas:

- **Enhancing public participation in liquor regulation:** The provisions of the new provincial legislation will be used to maximum effect to ensure that all stakeholders (including municipalities, the South African Police Service (SAPS), advocacy groups, affected residents and members of the general public) are given notice of applications for new liquor licences and applications in respect of existing liquor licences and are given an opportunity to comment. The provisions will also be applied to ensure that the manner in which licensed premises are operated can be monitored and reported to the appropriate authorities for effective intervention, where required. The implementation of this strategy will ensure that the sale and consumption of liquor is more effectively regulated in the Province.
- **Reducing liquor-related harms:** This will be achieved through major mass-media initiatives to raise general awareness of these harms: by inculcating behaviour-change; and by reducing the availability of liquor, both through shortening of trading hours and the implementation of a density policy. A large proportion of the Province's population remains in the grip of poverty, illness and desperation. This strategy will contribute to the reduction of these negative socio-economic effects of the liquor industry.
- **Driving the transformation of the industry:** This strategy will seek to address two areas: The fact that the industry remains largely White-owned; and the fact that only approximately 25% of outlets in the Province are licensed. The effective implementation of a transformation strategy will lead to the creation of more employment and business opportunities. Compliance with the liquor legislation will be increased as the number of unlicensed, and therefore unregulated, operators are reduced.

SUB-PROGRAMME 4.1 REGULATION SERVICES

Strategy 1: The enhancement of systems and procedures in respect of business regulatory improvement and development within the Province.

One of the areas of focus relates to monitoring the legislation developed by municipalities in the area of business development. For example, municipalities are, in terms of the Constitution, as well as the Municipal Structures Act,

empowered to pass legislation on matters related to the informal economy. This would include implementing by-laws which regulate the business of vendors, street traders or hawkers. The Regulation Services unit is thus responsible for ensuring that legislation that is proposed by municipalities promote the strategic vision and objectives of the Department. This will be an important intervention as the informal sector is becoming increasingly important within the developing business sector.

The Regulation Services unit will also be responsible for the evaluation of business licence application appeals that are submitted to the Provincial Minister. In terms of the current provisions of the Businesses Act, a municipality with jurisdiction in a particular area is designated as the authority responsible for approving or rejecting a business licence application. The legislation furthermore states that the provincial Minister responsible for Economic Development is authorised to act as the appeal authority in appeal matters. The Regulation Services unit will therefore be responsible for supervising and managing the business licence appeals process which would also include providing the Minister with strategic advice, if required.

The Regulation Services unit will also be responsible for assessing and evaluating the governance processes, issues, standards and practice within the Programme. This is done to determine the need for enhancements, amendments, replacement or initiation of new governance practices within the Programme, that are aligned to best practice principles.

Strategic Objective	An effective provincial trading environment facilitated through a reduction in regulatory barriers and inhibiting compliance requirements.			
Objective Statement	To identify and reduce regulatory barriers that inhibit business formation and growth, through a process of scanning all relevant legislation, analysing it with a view to simplify, shorten and where possible, eliminate business processes, amending and repealing legislation and taking any other measures required to achieve this objective.			
Baseline	4 legislative assessments completed and 2 business licence appeals concluded			
Justification	The South African, and by extension, the Western Cape, trading environment is often assessed as being restrictive, cumbersome and unfriendly to entrepreneurs and investors. The need therefore exists to remove regulatory and compliance barriers and renders the provincial trading environment more conducive for entrepreneurs and investors. This will ultimately increase the ease of establishing and operating businesses in the Province and lead to higher levels of investment, this, in turn, will lead to job creation and business growth.			
Links	Creating jobs through support to entrepreneurs and attracting investment are key objectives of the Western Cape Strategic Framework and the Provincial Growth and Development Strategy (PGDS).			

Strategic objective annual targets for 2010/11						
Strategic objective (outcome indicator)	Audited/Actual performance		Estimated performance	Medium-term targets		
	2006/07	2007/08		2008/09	2009/10	2010/11
1.1 Number of identified regulatory barriers reduced			1	1	2	2

Performance indicators and annual targets for 2010/11							
Sector specific performance indicators	Programme performance indicator	Audited/Actual performance			Estimated performance	Medium-term targets	
		2006/07	2007/08	2008/09		2009/10	2010/11
1.1	Number of barriers identified			1	1	2	2
1.2	Number of barriers addressed			1	1	1	2

Quarterly targets for 2010/11							
Sector specific performance indicators	Performance indicator	Reporting period	Annual target 2010/11	Quarterly targets			
				1st	2nd	3rd	4th
1.1	Number of barriers identified	Quarterly	2		1		1
1.2	Number of barriers addressed	Annually	1				1

SUB-PROGRAMME 4.2 CONSUMER PROTECTION

Strategy 1: Enhancing the levels of awareness amongst consumers about consumer rights and the importance of financial literacy

The vision of this strategy on Consumer Protection is that consumers within the Western Cape will become well informed and self-determined individuals and have a self-confident manner when entering into transactions within the market place.

The activities that will be embarked upon are as follows:

Proactive information and education policy

The education and information activities carried out in the previous years have shown that the OCP's activity in this area brings positive results and is received with great interest by consumers and entrepreneurs. Consumer education is a long-term and continuous process, especially in a country whose market is growing intensively, adapting itself to the functioning of the free market system. At the same time there is a need to expand the information and education activity, covering new thematic areas and using new communication methods. Considering the changing market situation and an increasingly widespread application of new communication techniques by businesses, it seems necessary to strengthen the activities of the OCP aimed at educating consumers with regard to the traps and risks they face. The impact of new technology in the transactional process between consumer and business also dictates that new strategies must be developed and implemented in order to maintain the trend with this new form of consumerism.

In the 2010/11 financial year, the OCP intends to continue basing consumer protection policy on regularly obtained and reliable information about South African and specifically Western Cape consumers. The most important objective of the OCP's research activities is to obtain background for designing its educational and information programmes. Social research will be undertaken in the OCP's direct communication with consumers and entrepreneurs. The results of the research will be used in the framework of information campaigns, public relations activities and working meetings, which aim to strengthen the social dialogue. The data acquired will constantly be used by the OCP in its communication with other Government agencies, regulatory bodies, as well as Non Governmental Organisations (NGOs), academic circles and the media. The OCP will be embarking on regular research initiatives to, amongst others, address the following:

- A survey of the level of consumer awareness, how they make purchase decisions, and what barriers there are that make it impossible for consumers to participate in the market in a safe and satisfying way;
- A study of the patterns of household finance management and the use of credits and loans. What methods and techniques are used to solve household financial problems (loans vs. searching for other sources of financing);
- Identifying the consumer of the market of goods and services sold on the Internet; and
- Defining Western Cape entrepreneurs' knowledge of consumer protection law and the state agencies providing redress services to consumers.

Specific consumer education activities

In the forthcoming period the OCP will continue to carry out an active educational and information activity, focusing mainly on the education of various groups of consumers. The Education Programme will include the basic issues, the knowledge of what facilitates the functioning of the market, how to acquire everyday consumer competencies, as well as knowledge of redress options. It should also provide an answer to the newest challenges occurring in the market.

The OCP's campaigns will also be executed in co-operation with the National Consumer Commission (NCC) that will be established in terms of the Consumer Protection Act, 2008. The NCC will be a national public entity and will perform the functions which the Department of Trade and Industry's Consumer Protection Office currently performs. These campaigns will also be synergised and aligned with other campaigns that may be embarked upon by other provincial OCP offices and statutory regulatory bodies. In the forthcoming period the OCP plans to execute education campaigns relating to the following consumer issues:

- Benefits and risks related to the use of the latest technologies (concluding distance contracts, via the Internet, the phone, mail orders, etc.);
- Product safety. The objective of this campaign will be to draw consumers' and entrepreneurs' attention to the factors that determine the safety and quality of products;
- Advertising. Campaigns concerning this issue will inform consumers of the specificity of this media message (e.g. the marketing techniques used in advertising, misleading advertising, etc.);
- Consumer rights and obligations. The OCP's research shows that consumers still need to be educated on the scope of basic consumer information. That is why, in the coming years, the OCP will continue the information

and education activities concerning specific consumer issues such as: prohibited contractual clauses applied in particular market sectors; the rights of consumers as provided for in the Consumer Protection Act, the types and methods of concluding consumer credit agreements; and

- Consumer services addressed to children.

The educational and information campaigns will be addressed to various social groups: the youth, adults, elderly people and the business sector. The Office will continue its co-operation with consumer organisations, regulatory bodies, ombudsmen and the mass media, through which it will try to reach society. In this respect, the expert support of academic circles will also be very important.

In order to meet the needs of the present day, the OCP will use in its campaigns a varied set of communication tools. The workshops and information sessions, in particular, have been playing an important role in the system of information and education. In the future the OCP will continue to organise, individually and together with other institutions, events promoting consumer knowledge. This will include workshops, information sessions, and conferences, with the participation of South African and foreign institutions responsible for consumer protection, representatives of academic circles, as well as entrepreneurs. The events will be an opportunity to exchange views and experiences between different entities involved in consumer protection policy, as well as consumers in general. The OCP's events focus on the issues which are important from the point of view of the consumer (e.g. relating to particular market segments). New legislative initiatives within the scope of consumer rights protection are also discussed at these events.

On the other hand, the OCP will continue to prepare the following categories of publications:

- Brochures and leaflets concerning practical consumer issues;
- Publications for the youngest consumers, consumer handbooks;
- Reports summarising investigations of particular market segments;
- Reports presenting the results of social research;
- Books summarising the conferences organised or co-organised by the OCP; and
- Reports on the Office's activity.

Similarly to the information and education campaigns, the OCP's publications will be addressed to different consumer groups and will vary with respect to their essential contents and layout. Moreover, due to the Internet becoming an increasingly popular and comprehensive source of consumer knowledge, the OCP will intensify its use of the Internet as a tool for communicating with consumers and entrepreneurs. The priorities of the OCP's website will be easy access and usefulness.

The media is still a very important channel of communication. It is useful for the purposes of popularisation of consumer knowledge. The main objective of the OCP's co-operation with mass media is to reach the public opinion with its message. Similarly, as in the previous years, the Office will continue its everyday cooperation with the media (e.g. interviews of the OCP's management and employees and press releases). It will continue conferences and press meetings with journalists. An extensive outdoor awareness campaign will also be initiated during the 2010/11 financial year. This campaign will aim to further entrench the OCP brand amongst consumers of the Western Cape.

Financial Literacy Education Campaigns

The advent of the global recession has led to a greater need for consumer protection agencies to focus on providing consumers with adequate and relevant information, which will assist them in meeting the challenges posed by the recession.

In South Africa the lack of financial literacy has long been recognised as a major problem in poor households and communities. This is not only because of the generally lower levels of access to, and inferior standards of, formal education, but also because of a lack of access to information. It must be noted that it is not only low income communities that demonstrate low levels of financial literacy in South Africa. A study undertaken in 2008 (FinScope study) underpinned the fact that the lack of financial literacy remains a major challenge in South Africa. The vast majority of respondents to the survey indicated a high level of "confusion" on financial matters. It stands however, that low income households, farm workers, and pensioners remain the economic citizens most vulnerable to exploitative schemes.

Research conducted in South Africa on the issue of personal savings has also indicated that we are a country with low household savings rates. The research indicates that personal savings dropped from 8% of personal income in the 1970s to around 2% by the early 1990s, while indebtedness has

increased amongst the most vulnerable, as well as amongst the most affluent income groups. A major behavioural shift is therefore required, away from a consumer and credit-oriented mindset, toward one of financial prudence. The need for saving is more important today than ever before, especially considering the HIV/AIDS epidemic now ravaging the nation. The low level of financial literacy in South Africa has been recognised by various community-based organisations, the financial industry, the Government and other organisations, many of which have launched financial education projects. Financial literacy is also being incorporated into curricula developed by the Departments of Education and Labour.

The OCP as a Provincial Government consumer protection agency therefore has a critical and crucial role to play within the arena of enhancing financial literacy amongst the most vulnerable of communities. The education and awareness strategy will focus on this topic and resources will be ploughed into addressing this need within communities. The OCP will therefore conduct a number of workshops, information sessions and other awareness initiatives across the Province specifically focussing on the issue of basic financial literacy.

Strategy 2: Provision of a consumer redress service

The focus of this strategy is to provide consumers of the Western Cape with an accessible and user friendly consumer dispute resolution service. It aims to ensure that consumers are effectively protected from possible harmful business practices. In order to achieve this, the Office of the Consumer Protector will continue to focus on the operationalisation of the Western Cape Consumer Affairs Tribunal. This is a matter of strategic importance, especially in light of the increased role that provincial consumer tribunals or consumer courts will play with the implementation of the Consumer Protection Act, 2008. The Consumer Protection Act envisages a scenario where consumer tribunals, both national and provincial, will be able to adjudicate consumer disputes that are referred to it by the National Consumer Commission. It is therefore imperative that the Western Cape Consumer Affairs Tribunal is fully operationalised and functional. The Tribunal will act as a statutory body that is empowered to adjudicate alleged unfair business practices that have a negative effect on consumers within the Province. It will therefore be a new intervention and will provide effective, easy and competent assistance to consumers who may have been prejudiced by unfair business practices.

In addition to the Consumer Tribunal, the OCP will continue

to enhance the Alternative Dispute Resolution (ADR) services it provides to consumers. In terms of the operational practice of the OCP, all consumer disputes are first channeled via ADR in an attempt to amicably resolve matters between the two disputing parties. In order to continue providing a high quality service to the public, the OCP will enhance and refine its ADR processes which will include the refinement of management processes, advanced training for staff and the extension of the scope of services rendered. The resolution of consumer complaints is aligned with the Five Year Strategic Plan. The activities of the Tribunal will contribute towards the achievements of the objectives contained therein. Strengthened self-regulation mechanisms and increased awareness of consumer rights among businesses will also create favourable conditions for the promotion and development of mechanisms of amicable resolution of consumer disputes. Experience over the past years has proven that out-of-court alternative dispute resolution mechanisms are an effective and cheap method of obtaining consumer redress, particularly in smaller cases. Courts of law often fail to deliver the desired outcomes due to lengthy proceedings, high costs, formalised procedures and psychological barriers related to getting involved in a court action.

The development of the systems of amicable dispute resolution is, however, not possible without the cooperation and willingness to collaborate from the businesses. Consequently, the development of amicable dispute resolution systems must be included in the concept of developing Corporate Social Responsibility. It is impossible to ensure high level consumer protection without building appropriate standards common for all the bodies involved in out-of-court dispute resolution.

The efficiencies in the OCP's business processes, honed over several years of being the leader in utilising outsourcing (call centre) and electronic complaints management systems will be further enhanced. This will include the refinement of the call centre management processes, including statistical data gathering, customer satisfaction reports and turn around times for complaint resolutions. In line with the National and Provincial Government's focus on Batho Pele, these processes will be enhanced, so as to improve service delivery, as well as the monitoring and evaluation of services to the public. The Office of the Consumer Protector will also further enhance the electronic case management system (CMaTS). These enhancements will lead to benefits such as better management reporting, increased productivity of individual



users of the system, better analysis of complaints, and better and easier monitoring of turnaround times. All of these enhancements make the system an effective tool for service delivery improvement in the hands of both management and the users of the system, with positive feedback reported by consumers.

Strategy 3: Implementation of Regional OCP Offices

The OCP will also continue to refine the Consumer Advice Office project that has been a focal area of enhanced service delivery over the past few years. As far as advice offices are concerned, the strategy over the next period will be to steadily reduce the number of offices funded and supported by the Department. This is in line with the initial strategy of ensuring that these community-based non-profit organisations eventually became self-supporting and effective structures within local communities. As the number of local advice offices funded by the Department reduces, the larger the OCP footprint within specific regions is intended to increase. This development will be supported by the implementation of a regional based consumer protection service. This addition will see the extension of the OCP's "footprint" within the 6 regions of the Province, as each region will have a representative from the OCP that will manage and supervise consumer protection related matters within that specific region. This development will furthermore enhance the quality of consumer services provided by advice offices within regions and also assist with the monitoring and evaluation of such offices.

Strategy 4: The Enhancement of Strategic Partnerships

This strategy will focus on the development of closer co-operation with consumer organisations. It will be in line with the provisions of the Consumer Protection Act, 2008 which acknowledges the important role and function of consumer organisations. A significant challenge here is strengthening the position of consumer organisations as important market actors that safeguard the respect for consumer rights. This objective cannot be achieved without direct support and long-term actions aimed at strengthening the structures and resources of consumer organisations. In order to ensure that the implementation of this strategy is effective we will also be aiming to secure co-operation with University Legal Aid/Advice Centres. As the specificity of consumer problems keeps increasing, in the next few years it will be necessary to expand consumers' access to professional legal aid. This will be done through initiating closer cooperation with Student Legal Aid/ Advice Centres operating at universities. Student law clinics provide free legal advice to consumers under the supervision of professional research tutors. This initiative aims to break away from the traditional theoretic approach to teaching law and reform it into a more "vocationally oriented" one. It should also be stressed that co-operation with academic circles could pave the way for formal academic courses on consumer protection to be developed.

Strategic Objective	A business environment that reflects high levels of consumer rights awareness by a majority of the Western Cape population and business community, supported by effective complaints management and resolution mechanisms
Objective Statement	Through various education and awareness initiatives ensure that at least 60% of public in the Province are aware of the OCP and services it offers and the establishment of 25 Consumer NGO's partnerships. Save consumers at least R10m through successful complaints resolution.
Baseline	Low levels of awareness, where only approximately 3 in 10 consumers are aware of basic consumer rights. A highly effective complaints management and resolution mechanism at head office with low level service delivery through NGO structures in rural areas.
Justification	Low levels of consumer rights awareness, coupled with non-existing and inadequate complaints management and resolution mechanisms in the past lead to exploitation and often severe economic hardship for the consumers involved. Even with the availability, in recent years, of sophisticated, easily accessible complaints resolution mechanisms, consumers continue to be exploited and lose their hard-earned cash through unfair business practices and fraud. This is especially true of vulnerable consumers.
Links	Consumer rights awareness and availability of resolution and enforcement mechanisms will reduce exploitation of consumers and contribute to their economic well-being. Consumer education and the availability of easily accessible complaints resolution mechanisms are key objectives of the Consumer Protection Act, 2008.

Strategic objective annual targets for 2010/11							
Strategic objective (outcome indicator)	Audited/Actual performance			Estimated performance	Medium-term targets		
	2006/07	2007/08	2008/09		2009/10	2010/11	2011/12
1.1 Awareness levels			10%	20%	30%	40%	50%
1.2 Number of strategic consumer NGO partnerships established				6	11	15	20
1.3 Monetary value saving to consumers				R500 000	R1 million	R1.5 million	R2 million

Performance indicators and annual targets for 2010/11							
Sector specific performance indicator	Audited/Actual performance			Estimated performance	Medium-term targets		
	2006/07	2007/08	2008/09		2009/10	2010/11	2011/12
1.1 Number of consumer education programmes conducted			100	128	128	200	220
1.2 Number of complaints received			6 716	7 051	7 000	7 500	7 900
1.3 Number of complaints resolved			4 701	4 935	5 429	5 500	5 500

Provincial performance indicators									
Programme performance indicator	Audited/Actual performance			Estimated performance	Medium-term targets				
	2006/07	2007/08	2008/09		2009/10	2010/11	2011/12		
1.1	Number of complaints forwarded to the Tribunal for consideration			4	10		50		100
1.2	Number of people reached			4 million	5 million		5.5 million		6 million
1.3	Number of Regional offices operationalised			4	4		6		6
1.4	Number of consumer complaints lodged by consumer NGO's			6	10		15		20
1.5	Rand value savings to consumers due to OCP intervention			R500 000	R1 million		R1,5 million		R2 million
1.6	Number of financial literacy workshops conducted			35	40		50		100

Quarterly targets for 2010/11						
Sector specific performance indicators						
Performance indicator	Reporting period	Annual target 2010/11	Quarterly targets			
			1st	2nd	3rd	4th
1.1 Number of consumer education programmes conducted	Quarterly	128	30	40	30	28
1.2 Number of complaints received	Quarterly	7 000	1 500	2 000	2 000	1 500
1.3 Number of complaints resolved	Quarterly	5 429	1 029	1 200	1 600	1 600

Provincial performance indicators						
Performance indicator	Reporting period	Annual target 2010/11	Quarterly targets			
			1st	2nd	3rd	4th
1.1 Number of complaints forwarded to the Tribunal for consideration	Quarterly	10		3	3	4
1.2 Number of people reached	Quarterly	5 million		1 million	2 million	2 million
1.3 Number of Regional offices operationalised	Quarterly	4	4	4	4	4
1.4 Number of consumer complaints lodged by consumer NGO's	Quarterly	10	2	3	3	2
1.5 Rand value savings to consumers due to OCP intervention	Quarterly	R1m	R250 000	R250 000	R250 000	R250 000
1.6 Number of financial literacy workshops conducted	Quarterly	40	10	10	10	10



SUB-PROGRAMME 4.3 LIQUOR REGULATION

Strategy 1: Enhancing public participation in liquor regulation

This strategy is premised on the observation that the current legislation, the Liquor Act, 1989, provides for inadequate notification to members of the public and local Government of an applicant's intention to apply for a liquor licence; changes in the ownership of, or financial interest in, a licence; and changes in the licence conditions pertaining to a licence. Accordingly, the Act expands public notification channels from two publications in the Government Gazette and lodgement for public inspection at the relevant magistrate's court for a period of 28 days to:

- Five publications in the Provincial Gazette;
- Lodgement at both the Liquor Board or Liquor Authority (as it will be called in terms of a proposed amendment to the Liquor Act) and the local police station;
- Service of the application on the municipality;
- Notification of the application to ward councillor by the municipality; and
- Notification of the community policing forum by the designated liquor officer.

Furthermore, the complaint made by communities, that lodgement of liquor licence applications over the prime holiday period (December – January) precludes them from commenting on such applications, has been addressed by the provision in section 36(2) of the Act that no application for a licence may be advertised during the period of 1 December and 15 January of the following year. The Act also allows the liquor authority to condone non-material defects in or late submission of objections to applications and to take into account, within its discretion, any facts or circumstances in considering an application for, or related to, a liquor licence.

It is to be noted that the strategy goes beyond the promotion of participation in the liquor licence application process, and covers the broader spectrum of liquor regulation. This includes enforcement, i.e. the monitoring of the manner in which liquor licensed establishments conduct business, and awareness of and education around liquor-related harms, as well as responsible trading and consumption. Accordingly, programmes will be launched to create broad, general awareness of aspects such as the prevalence of violent crime resulting from liquor abuse, domestic violence, liquor units, Foetal Alcohol Syndrome (FAS) and the like. Communities will, through mass-media awareness initiatives, be primed for participation in workshops and information sessions that will be rolled out continuously. The approach, as encapsulated in one of the unit's current campaigns, is, and will remain,

that "liquor regulation is everybody's business" and that communities should "comment, monitor and report" on licence applications and liquor-selling establishments.

This strategy must, and will be, supported by an Inspectorate (Enforcement and Compliance Division), which is capacitated to monitor business practices of licensed establishments, and will be more responsive to complaints by members of the public. (Current capacity constraints leave the Inspectorate in a position where it cannot do much beyond the inspection, upon instruction by the Board, of premises for which applications are pending.) The campaign tagline of "Comment, monitor, report", referred to above, will be of little consequence if either of, or both, the police and the Inspectorate fail to respond to complaints and if requests for intervention that are lodged with them go unattended. The Inspectorate will therefore be expanded from its current staff complement of 4 to at least 10.

Strategy 2: Reducing liquor-related harms

There exists a vast body of evidence that indicates the massive negative impact of liquor on the Western Cape economy and population. Whilst the liquor industry is a major contributor to the regional economy, especially the agricultural, hospitality and tourism sectors, much of this is off-set by the toll that liquor abuse continues to exact.

The unit's strategic interventions for addressing this problem, which costs the economy billions of rands in the areas where the costs are quantifiable, consist of the following:

Strategic Intervention 1: Raising general awareness through mass-media initiatives

This is aimed at creating extensive (broad) knowledge of alcohol-related harms. The aim is to make these issues part of the day-to-day discussion amongst members of the public (communities). This will be done through newspaper advertisements, commuter-targeted notices on trains and taxis and at terminals for these transport services (train stations and terminuses), fliers, pre-recorded radio inserts, and if possible TV public service announcements (PSAs).

This initiative aims to eradicate the low level of awareness of liquor abuse and its effects, and to prepare the recipients of the messages for the more intensive messaging of workshops, information sessions, radio talk programmes, newspapers and web articles to follow.

Strategic Intervention 2: Creating deeper knowledge and inculcating behaviour-change

This component of the strategy will seek to deepen the

knowledge of specifically targeted groups of individuals, beyond the general awareness brought about by the first component. The recipient base (target market) will be substantially smaller, having to be engaged in face-to-face scenarios (workshops, information sessions, seminars and the like) or through media that is more limited and/or consumed in more limited numbers (newspaper articles, as opposed to advertisements, and web articles as opposed to a billboard seen in passing).

It is envisaged that these initiatives will result in debate on, rather than mere awareness of the issues concerned. It is hoped that it will establish the building blocks for communities and individuals to change attitudes and behaviour in relation to liquor. Some of the groups to be targeted include:

- Primary school learners, especially with regard to FAS, since they are, from the experience gained in current initiatives, very keen to share this information with their parents.
- High school learners, many of whom have already commenced consuming alcohol and being sexually active - a combination which often results in risky sexual behaviour, teenage pregnancies and transmission of sexual diseases. The older learners will also have started driving, which provides a further point for engagement.
- Students at tertiary institutions, for the same reasons as set out with regard to high school learners.
- Drivers, especially those visiting places that sell liquor for consumption on the licensed premises (bars, pubs, clubs).
- Pregnant women. This intervention is a long-term one with ongoing, focused and intensive awareness initiatives culminating in changing perceptions about liquor. Eventually it is hoped that it will result in broad behaviour change across communities and a large-scale reduction of dangerous and harmful conduct involving liquor i.e. binge and under-age drinking, drinking during pregnancy and the resultant FAS, endemic drunk driving, liquor-induced violence and the like.

Strategic Intervention 3: Reduce liquor availability

Reduction in availability of liquor to high-risk sectors of the population is an intervention proposed by health and statutory regulatory institutions in the liquor arena, but for obvious reasons it is not supported by the industry. The strategy is, however, supported by the PGWC and finds expression in the following:

- Higher levels of public participation in the liquor licensing application process are likely to produce more objections and, therefore, a lower rate of approval of applications. In the longer term, it is likely to produce a lower rate of new applications, because of the risk of rejection. This,

together with an increased rate of attrition due to high application fees, licence fees, and annual renewal fees, is likely to contain the recent proliferation of liquor outlets seeking licences.

- Shorter trading hours and a prohibition on liquor sales on Sundays and certain public holidays, which will be imposed by municipalities (who are, in terms of the new Act of 2008 given the right to determine liquor trading hours), will reduce availability through licensed outlets.
- Sustained monitoring and, where appropriate, closure of liquor establishments that breach the conditions of their licence, or that are unlicensed and therefore operate illegally.
- Imposing and, more specifically, enforcing, limits imposed in respect of the maximum quantity of liquor that may be sold to a single person per day.
- Devising a strategy around density, in terms of geographical spread, of licensed outlets. Currently, there are wide discrepancies in the density of liquor outlets in formerly White residential and mixed-land use areas, compared with traditionally Coloured and African townships across the Province. This situation is an inheritance of apartheid land use planning and is often used by the industry to advocate a rapid and more lenient licensing regime in respect of the latter-mentioned areas. However, it is acknowledged that the Government would be ill-advised to allow wholesale licensing of the currently unlicensed outlets in townships as a quick and easy solution to the problem. Rather, research will be undertaken, including into international best practice in this regard, to ensure that a less unequal distribution of outlets is achieved in the longer term. This will be done while taking cognisance of all the competing interests, such as economic development, industry transformation, communities' right to a safe living environment and socio-economic harms generated by liquor abuse.

Strategic Intervention 4: Better law enforcement

This intervention will be driven by a general approach seeking closer and more efficient co-operation with other liquor regulators and law enforcement agencies. This will result in better application of limited resources through joint projects and initiatives with other liquor authorities (both provincial and national) the SAPS, municipal law enforcement units and the Department of Justice. It will seek to ensure faster turn-around times in legal proceedings involving liquor, e.g., drunken driving, alcohol related domestic abuse and other violent crime. Its further goal is the imposition of harsher sentences (already provided for in current legislation), and quicker, more efficient intervention by the authority to suspend or withdraw liquor licences, as the circumstances may dictate.

Strategy 3: Driving transformation of the industry

Two areas of transformation need to be addressed: the fact that the industry remains largely White-owned and managed, and the fact that, in the Western Cape, only approximately 25% of outlets are licensed.

The most recent National Government-sponsored research into the industry (The South African Liquor Industry – An Industry Study, 2005 CCRD, the dti) as well as a preliminary analysis of the Western Cape liquor licence database, indicate that the industry remains largely untransformed. This is despite the fact that we are 15 years into the democratic dispensation and that we have had several years of BBBEE initiatives. In addition, reports and complaints of recent months indicate that where black individuals and entities have managed to enter the industry, there has with increasing regularity been conduct by White-owned or managed entities, that could be construed as restrictive practices in terms of the Competitions Act.

The analysis conducted in respect of the liquor licence applications granted in the Western Cape since the mid-1990s indicates that the rate at which applications by applicants have been approved, increased sharply since approximately three years ago. Despite this finding, the preliminary results of the analysis indicate that only 10% of liquor licences in the Province are in the control of non-White individuals and entities.

There were approximately 7 000 licensed outlets in October 2009. This is the date when annual renewal notices have to be issued in terms of both the current (1989) and future (2008) Acts. The database is determined in preparation for that process. At the same time there were 21 000 unlicensed outlets. This number is arrived at through extrapolation of surveys conducted as part of the Rapid Assessment research project. It is evident that not all unlicensed outlets will be able to be licensed. The Rapid Assessment report categorises the unlicensed outlets into three levels. Level 3 entities (approximately 12 000) are not capable or desirous of being, or suitable to be licensed in terms of the requirements of the Western Cape Liquor Act. The report suggests that the Government should engage with the remaining 8 500 – 9 000

level 1 and 2 outlets with a view towards their legitimisation (through licensing) and development (through provision of training, mentorship, and where need, be, access to finance).

The strategy will be executed through the following means:

- **Assistance to Previously Disadvantaged Individuals (PDI) applicants with regard to applications**

This will not be direct assistance, which would be improper, but rather assistance through information and training sessions involving applicants and their representatives. The aim to familiarise the applicants and representatives with the application procedures, as encapsulated in:

- The Act and regulations issued in terms thereof;
- Policies of the Authority; and
- Court judgments in respect of areas applicable to their applications, if any, and more.

- **Continued/ongoing analysis of the granting of applications by PDI applicants, compared to non-PDI applicants**

The results from the preliminary analysis will be used to interrogate further the state of the industry in the province, and to effect corrections and set targets.

- **Continued/ongoing analysis of the density of outlets across the Province, with specific reference to the discrepancies referred to above.**

This will be done by the same means as above, with the addition of GIS data.

- **The growth and development of targeted PDI outlets through the provision of training and mentorship. The facilitation of access to finance, and the restructuring of operators into business entities such as closed corporations, co-operatives and even companies, that will better place them to gain competitive advantages**

PDI liquor outlets in townships, even licensed ones, continue to suffer from a lack of support at municipal Government level. They are generally not recognised at this level and not given the appropriate land use approvals they need. The assistance they do (or did) receive from the mainstream sector of the liquor industry seems

fragmented and uncoordinated. A specific manufacturer and distributor provided training in business management and responsible trading practices, but then scaled down and eventually stopped the training initiative. Other industry players generally ignored, and continue to ignore, the need. Liquor Regulation will develop training interventions or, in conjunction with industry, revive earlier training interventions to improve the situation. It will also engage the mainstream industry with proposals to assist in the creation of the business entities aforementioned. This will be aimed not only at gaining the competitive advantages mentioned above, but also on rationalising the effect on the township sector of the industry. This rationalisation is required, since it is clear that not even the 8 500 – 9 000 level 1 and 2 outlets (out of an estimated 21 000 unlicensed ones) will be licensed, because of the Government's commitment to stopping the proliferation of outlets within residential areas. If some of the existing 8 500 – 9 000 operators were to combine their businesses, they would be in a better position to obtain a licence, whilst reducing the overall number of outlets competing for licensing.

- **Engagement with local Governments and their representative body, the South African Local Government Association (SALGA), with a view to the creation of more trading areas in PDI areas**

It has been acknowledged, from the first stages of the public participation on the Liquor Bill in 2004, that the lack of trading areas in townships would present an obstacle to the legitimisation of the township-based outlets. In response to this, the so-called “shebeen clause” was inserted into the 2008 version of the Liquor Bill, but subsequently removed as a result of public pressure. With this option for legitimisation no longer available, local governments need to be engaged to acknowledge that their pivotal role in ensuring that the inadequate provision of trading areas in Coloured and African residential areas is addressed. The Provincial Government, through the Liquor Authority, will have to drive this engagement. This is because the local Governments have, since democratisation of the country been unyielding at worst and cautious at best, with regard to applications for rezoning and other land use authorisations to assist township-based liquor outlets.

Strategic Objective	A regulatory environment that reflects high levels of participation by the public, a reduction in the negative effects of the industry and major transformation in terms of ownership, outlet density and the level of regulation.
Objective Statement	To facilitate community participation in respect of all applications for liquor licences, and facilitate and/or sustain at least 36 000 jobs through licensing of half the currently unlicensed but already operating outlets, as well as newly established outlets, and sustain at least 350 jobs through annual renewal of licences. Ensure that all licensed premises are inspected at least twice a year. Reduce the negative socio-economic impact of the industry by raising public awareness of liquor-related harms through initiatives that reach at least 70% of people through mass media messages, and contribute to the transformation of the liquor industry by reducing the ratio of unlicensed to licensed premises from 3:1 to 2:1 and increasing PDI ownership from 10% to 20%. (7 200 current licences)
Baseline	Public participation occurs in respect of only approximately 50% of applications for liquor licences. Between 600 and 800 new licences have been approved and issued annually over the past 3 years, facilitating job creation at an average rate of 5.2 jobs per outlet. Approximately 95% of existing licences are renewed every year, thereby sustaining jobs at the rate of approximately 5.2 jobs per outlet. High levels of liquor abuse and irresponsible and unlawful trading prevail and the industry remains largely untransformed in terms of ownership, the spread of outlets and the level of regulation. Only approximately 10% of licensed liquor outlets are owned by PDIs and only 1 third of all liquor outlets are licensed.
Justification	Liquor is a potentially harmful substance that is said to cost the Western Cape economy R2bn annually and brings to bear severe negative socio-economic effects on the population of the Province. It is therefore imperative that public participation in the regulation of the product is maximised to curtail these negative effects. Despite its negative consequences, the liquor industry, with its ramifications in the tourism and leisure industries, is a major contributor to the provincial economy, said to generate revenue in excess of R3bn per annum, creating and sustaining thousands of jobs annually. However, the industry remains largely untransformed in terms of ownership and the number of licences issued, and needs to become more inclusive in accordance with the PGWCs objective of inclusive economic development.
Links	Increased community participation and more public awareness of liquor harms will promote allocation of licences in accordance with community sentiment, reduce the above-mentioned negative socio-economic effects and contribute to the wealth and economic growth of the people and the Province as the economic burden of liquor abuse is reduced, while facilitation of entry into the industry for PDIs will make the industry more inclusive and contribute to the economic growth and prosperity of those entrants.

Strategic objective annual targets for 2010/11		Audited/Actual performance			Medium-term targets			
		2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
1.1	Percentage liquor outlets licensed				27%	33%	40%	47%
1.2	Number of jobs facilitated and sustained				4 160 facilitated 31 200 sustained	5 200 facilitated 34 320 sustained	6 240 facilitated 37 752 sustained	7 280 facilitated 41 527 sustained
1.3	Awareness level (as a percentage of beneficiaries of awareness initiatives amongst whom the level of awareness is raised)				30%	40%	50%	60%

Performance indicators and annual targets for 2010/11

Sector specific performance indicators

Programme performance indicator	Audited/Actual performance				Estimated performance	Medium-term targets		
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13
	1.1			2 170		2 200	1 800	2 600
1.2		706	624	800	800	1 200	1 400	
1.3			90	200	220	250	280	
1.4			320 339	2 000 000	2 500 000	3 000 000	4 000 000	
1.5				1 000	2 000	2 500	3 000	

Provincial performance indicators

Programme performance indicator	Audited/Actual performance				Estimated performance	Medium-term targets		
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13
	1.1			2 170		2 200	2 200	2 600
1.2			1 744	1 800	1 800	2 200	2 400	
1.3			1 191	1 500	1 750	2 000	2 200	

Quarterly targets for 2010/11						
Sector specific performance indicators						
Performance indicator	Reporting period	Annual target 2010/11	Quarterly targets			
			1st	2nd	3rd	4th
1.1	Quarterly	1 800	450	450	450	450
1.2	Quarterly	800	175	175	275	175
1.3	Quarterly	220	40	60	60	60
1.4	Annually	2 500 000				2 500 000
1.5	Quarterly	2 000	500	500	500	500

Provincial performance indicators						
Performance indicator	Reporting period	Annual target 2010/11	Quarterly targets			
			1st	2nd	3rd	4th
1.1	Quarterly	2 200	550	550	550	550
1.2	Quarterly	1 800	450	450	450	450
1.3	Quarterly	1 750	400	400	550	400

**Reconciling performance targets with the Budget and MTEF
Expenditure estimates
Business Regulation and Governance**

Sub-Programme	Audited outcomes			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09		2009/10	2010/11	2011/12
R thousand							
1. Regulation Services				120			
2. Consumer Protection	5 507	5 649	7 803	11 392	11 872	12 631	13 286
3. Liquor Regulation	4 765	5 778	7 483	8 900	8 921	9 671	10 471
Subtotal	10 272	11 427	15 286	20 412	20 793	22 302	23 757
Economic classification							
Current payments	8 143	9 427	12 280	18 281	19 943	21 432	22 887
Compensation of employees	4 290	5 191	6 993	8 607	12 621	13 587	14 624
Goods and services	3 853	4 236	5 287	9 674	7 322	7 845	8 263
of which:							
Assets-<R5000	37	84	273	69	70	80	90
Audit Cost External			84	250	250	280	290
Communication	165	237	291	231	337	360	370
Cons/prof Business and advisory services			221	4 264	1 747	1 805	1 948
Agency and support/outsourced services	2 208	2 448	2 004	2 688	1 920	2 000	2 050
Entertainment	2	3	6	13	15	20	20
Inventory, Stationery and Printing	66	114	129	39	53	70	90
Lease Payments	104	63	44	25	52	50	65
Transport provided departmental activity							
Travel and subsistence	525	476	610	436	767	800	810
Training and staff development	51	102	76		120	130	150
Venues and facilities	100	67	65	38	50	65	70
Printing and publications							
Other	595	642	1 484	1 621	1 941	2 185	2 310
Transfers and subsidies to:	1 903	1 000	2 529	1 844	750	750	750

Sub-Programme	Audited outcomes				Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13
R thousand								
Provinces and municipalities	3							
Departmental agencies and accounts				644				
Universities and technikons								
Public corporations and private enterprises								
Foreign governments and international organisations								
Non-profit institutions	1 900	1 000	2 529	1 200	750	750	750	
Households								
Payments for capital assets	226	1 000	457	287	100	120	120	
Buildings and other fixed structures								
Machinery and equipment	226	1 000	457	287	100	120	120	
Cultivated assets								
Software and other intangible assets								
Land and subsoil assets								
Payments for financial assets			20					
Total	10 272	11 427	15 286	20 412	20 793	22 302	23 757	

Performance and expenditure trends

- Budget allocations resulted in two areas of the Programme, in particular, being affected negatively: The regional office initiative at the OCP had to be implemented later than planned and more incrementally than initially envisaged and the Inspectorate of the Liquor Board was not being able to carry out inspections at a rate commensurate with the referrals to it of matters by the Board. In both Sub-programmes, relatively flat allocations in respect of the education and awareness components have resulted and will continue to result in lower numbers of target audiences being reached.
- The regional office initiative will proceed, albeit at a slower pace. Non-critical posts will, in the short term, be sacrificed to ensure that additional inspectors can be employed to address the critical area of inspections, coupled with the implications for monitoring, enforcement and compliance.
- In the education and awareness arenas in both Sub-programmes, partnerships and joint ventures with the industry will be used to leverage funding and other resources.

PROGRAMME 5: ECONOMIC PLANNING

Purpose

The purpose is to provide support to the leadership i.e. Minister, HOD and the Departmental Top Management (DTM), in undertaking planning processes that provide a coherent vision and strategic outcomes. Policies and programmes need to be developed, enhanced or applied to attain intended objectives. In other words the focus is on the long-term perspective, and on the determination and realisation of the Department's vision so that it can inform shorter term plans, resource allocation, trade-offs and the sequencing of policies.

Programme structure:

- Sub-programme 1: Policy and Planning
- Sub-programme 2: Research and Development
- Sub-programme 3: Knowledge Management
- Sub-programme 4: Monitoring and Evaluation
- Sub-programme 5: Management Economic Planning

To give effect to the above, the main functions for this Programme are:

- Co-ordination of the MEDS i.e. evidence-based economic planning;
- Conducting of research and development for sound economic intelligence in the Western Cape; and
- Monitoring and evaluation for continuous organisational learning and improvement

Performance environment

For 2010/11, the Programme will be performing within the context of the Green Paper on National Strategic Planning. It is designed along the same lines as the MEDS economic planning framework i.e. it is aimed at crafting long-term sustainable goals through a sound intellectual framework, guided by experts who will serve as National Planning Commissioners. The PGWC has also started the process of translating the national Medium Term Strategic Framework (MTSF) into provincial strategy. Planning must inform and be informed by sector plans and provincial and local plans. Fragmented policy making can lead to duplication of effort, and contradictory outcomes, and unnecessary expenditure.

The Ministry for Performance Monitoring and Evaluation in the Presidency has also introduced the Green Paper on Performance Monitoring and Evaluation i.e. a discussion document on Government approach to performance Monitoring and Evaluation (M&E). This was followed by National and Provincial Treasuries' introduction of M&E outcome targets and indicators in the new Five Year Strategic Planning and Annual Performance Plan.

The Green Paper on Government's approach to M&E proposes that outcomes must be directly linked to the MTSF and Provincial Medium Term Strategic Framework (PMTSF). Departments are therefore required to select critical output indicators and monitor progress towards outcomes. In the light of the above, this Programme has set the following strategic objectives:

- Strengthening of institutional governance for improved service delivery; and
- Establish the Department as the repository of provincial economic intelligence for all and the business community of the Western Cape.

SUB PROGRAMME 5.1 POLICY AND PLANNING

Strategy 1: Co-ordination of the MEDS Economic Planning Framework

This unit will continue to coordinate the translation of MEDS research into policy proposals within the context of international and national economic trajectory. The co-ordination of the MEDS will provide coherent economic planning within the Department and in the Province. This function will be undertaken based on evidence of economic policy research, informed by global best practice. The provincial economic planning framework will be informed by the following:

- The competitive position of the Western Cape;
- The economic performance of the province;
- The changing national policy context; and
- The alignment of MEDS policy recommendations and Department's programmes.

The Department will continue to co-ordinate the MEDS economic planning framework and to this end, will develop and review economic strategies.

Strategy 2: Translation of National and Provincial policies and strategies into long-term departmental strategies

This unit will also translate national, provincial and local policies and strategies into the Department's programmes and projects. It will undertake policy alignment with all other spheres of Government to promote policy coherence and collaboration with all spheres of Government.

It will also provide the basis for the Department to engage far more effectively with national and local Government on economic policy and programmes. The Department will ensure the co-ordination between the different spheres of Government result in aligned policies and strategies.

Strategy 3: Ensuring Coherent Vision for Provincial Economic Development Strategy

In 2010/11, this unit will ensure coherent vision for the Provincial Economic Development Strategy (PEDS) by translating PMTSF and MEDS policy recommendations i.t.o sectors and cross-cutting themes, so as to inform the Provincial Economic Development Strategy. The development of a coherent vision for PEDS will be informed by the following:

- Increasing growth, facilitating employment and enhancing equity;
- Basing strategies on the Provinces' current and emerging competitive strengths;
- Identifying knowledge intensity as a fundamental characteristic of the Western Cape;
- Requiring all policy proposals to be grounded in an empirical analysis of the structure of the particular industry, so as to avoid wish lists;
- Focusing strategic attention on priority sectors;
- Maintaining a realistic grasp of the limited capacity of Provincial Government and hence devising appropriate policy and strategy levers for implementing the MEDS; and
- Building strategic institutional relationships between Government and industry.

All provincial departments will be engaged in playing a more active role in promoting the prioritised sectors and cross-cutting themes, so that they will have impact on the provincial economy. This will be done through already existing institutional arrangements i.e. cluster and cabinet committees.

Strategy 4: Ensure joint economic planning occurs across sectors and themes within the Department

Once the PEDS has been clearly aligned to the Provincial Medium Term Strategic Framework, the Department will translate it into clear measurable strategies, programmes, and projects for implementation. This will be achieved through the matrix approach.

Approach: Annual Matrix Strategy co-ordination

The Department will continue to co-ordinate joint planning through the matrix approach, where integrated sectors and cross-cutting theme strategies are developed. Once integrated matrix strategies have been crafted through a detailed interaction between all the role players, the strategies will be considered by the DTM. All the Departmental programmes and projects will directly flow from the matrix strategies. This will ensure that there is no duplication and wastage of resources.

In realising this priority, this unit will foster and nurture relationships internally and amongst external stakeholders (Government, civil society, labour, education institutions and business) so that they will take part in Government's efforts to transform, diversify, and sustain economic growth in the Western Cape. Strategic planning sessions will be held to give effect to the ongoing development of the matrix sector and theme strategies.

Strategic Objective	Strengthening institutional governance for improved service delivery
Objective Statement	To strengthen the institutional governance for improved service delivery through credible economic planning by means of developing and updating economic sector and theme strategies to inform Departmental programmes.
Baseline	MEDS 5 year Super Synthesis Report and Matrix Sectors and Cross-Cutting Themes of 2009
Justification	To provide guidelines and to influence the economic agenda of the Province
Links	Provincial Growth and Development Strategy and other economic policies and strategies developed and implemented to achieve sustainable economic development

Strategic objective annual targets for 2010/11						
Strategic objective (outcome indicator)	Audited/Actual performance			Estimated performance	Medium-term targets	
	2006/07	2007/08	2008/09		2010/11	2011/12
1.1 Updated Provincial Economic Development Strategy				1	1	1
1.2 Updated Sector and Theme Strategies					3	3

Sector specific performance indicators						
Programme performance indicator	Audited/Actual performance			Estimated performance	Medium-term targets	
	2006/07	2007/08	2008/09		2010/11	2011/12
1.1 Number of economic strategies developed				2	2	2
1.2 Number of economic strategies reviewed				3	3	3

Provincial performance indicators							
Programme performance indicator	Audited/Actual performance		Estimated performance	Medium-term targets			
	2006/07	2007/08		2008/09	2009/10	2010/11	2011/12
1.1	Number of Strategic Planning sessions			14 Matrix Planning Sessions	4	4	4
1.2	Number of translated national, provincial and local government economic policies			1	1	1	1

Quarterly targets for 2010/11						
Sector specific performance indicators						
Performance indicator	Reporting period	Annual target 2010/11	Quarterly targets			
			1st	2nd	3rd	4th
1.1	Number economic strategies developed	2		1		1
1.2	Number of economic strategies reviewed	3				3

Provincial performance indicators						
Performance indicator	Reporting period	Annual target 2010/11	Quarterly targets			
			1st	2nd	3rd	4th
1.1	Number of Strategic Planning sessions	4	1	1	1	1
1.2	Number of translated national, provincial and local government economic policies	1				1

SUB PROGRAMME 5.2 RESEARCH AND DEVELOPMENT

Strategy 1: Economic intelligence

The main aim here is to ensure that the Department lives up to the expectation of being the repository of provincial economic intelligence for all the citizens and the business community of the Western Cape.

Approach: The strategic imperative that underpins research is the economic competitive advantage of the Western Cape as a region, compared to the national and global economy. A key thrust is of economic data gathering (whether commissioned or gathered by the Department), storage and dissemination of economic intelligence:

- To identify interventions that target both highly technological intensive activities in the Province and at the same time;
- Develop an understanding of how to improve the lives of the millions of individuals that are attempting to economically grow their small enterprises; and
- Furthermore, the MEDS research will identify the opportunities and constraints faced by firms and the market failures, Government and network failure in general.

Strategy 1.1 Annual Publications and Workshops/ Conferences with civil society and business community

Each round of research has been and will, on publication, be thoroughly interrogated through a process of public hearings/workshops and conferences. These initiatives will be brought to the attention of targeted groups, and will be extensively advertised in the media to ensure that all interested parties can attend. A report will be written for each workshop/conference and made available on the internet together with all research conducted.

Strategy 1.2 Quarterly Economic Reports through partnership with PT and BER

The Department will monitor the performance of the provincial economy on a quarterly basis. This requires the continuous collection of data and analysis. Premier Helen Zille has already tasked the Department with this responsibility when she said: "Some of our short term initiatives to further assist investment will include introducing a quarterly Western Cape pulse-taking and forecasting bulletin for investors and a user-friendly citizens' guide to economic opportunities in top industries in the region".

The Department in partnership with Provincial Treasury and the Bureau for Economic Research will therefore produce relevant economic reviews on a quarterly basis.

Strategy 1.3 Sector and Theme Ongoing Data Gathering and Analysis

The Department will start an initiative of ongoing data gathering on all the sectors and themes that it is involved in. Under

research and development a plan is now being developed, in partnership with the Chief Economist, to capacitate the sector/theme desks in all the selected priority sectors on what and how they will gather data to help the Department to have sound economic intelligence on all sectors/themes.

The data gathering in all the sectors and themes will enable the Department to monitor the growth or the decline of the sector/theme. A guideline has been developed to help sector and theme desks to collect the economic data on a quarterly basis. Up to date sector and theme economic data, delivered quarterly, will form the Department's contribution to the Provincial Economic Review and Outlook (PERO) report.

Strategy 2: Building Economic Research Capacity in the Department

There is a serious shortage of capacity to undertake economic research within the Department. However, there is emerging talent in this area of research, and much of the available capacity is currently located in the region's tertiary institutions. Tapping into this pool of talent will prove vital in terms of strengthening this capacity. Specific attention will be given to the following areas:

- **Sourcing dedicated funding for setting up an economic research unit within the Department:** The purpose of the unit will be to conduct research in support of all Programmes within the Department. Since part of the objective is to facilitate a flow of information between Government, civil society and the business community, it makes sense to have a dedicated team of researchers overseeing research within the Department. The unit might also lead the process of commissioning outside organisations to do the independent research.
- **Engaging with tertiary institutions to solicit relevant training for public officials in the area:** University of Cape Town (UCT), for example, offers a new masters specialisation in the area of behavioural economics, a substantial component of which is dedicated to offering training in conducting quantitative economic research. Graduates from this Programme would be the first port of call for populating the new evaluation unit.
- **The provision of scholarships for public officials that choose to specialise in this field:** This is key to building up a core team of development economists with specialist skills in economic research. Talented students often face the tough choice of specialising in a field that comes with money (many of the UCT's, University of Stellenbosch (US) and University of the Western Cape (UWC) specialist Economics Masters degrees come with scholarships) or pursuing what truly interests them and forgoing a lucrative scholarship. Partnering with tertiary institutions that can deliver students with these much needed skills will require a funding commitment on the part of the PGWC.

Strategic Objective	To establish the Department as the repository of provincial economic intelligence for all the citizens and the business community of the Western Cape.	
Objective Statement	To provide a minimum of 50 credible provincial economic data for all citizens and business community of the Western Cape in the next 5 years.	
Baseline	MEDS Research	
Justification	To create a repository of provincial economic data for all citizens and the business community of the Western Cape	
Links	Provincial Economic policies and strategies developed and implemented to achieve sustainable economic development	

Strategic objective annual targets for 2010/11							
Strategic objective (outcome indicator)	Audited/Actual performance			Estimated performance	Medium-term targets		
	2006/07	2007/08	2008/09		2009/10	2010/11	2011/12
1.1 Established and recognised as the repository of credible Provincial economic intelligence					Fully functioning and effective information gathering and dissemination unit	Fully functioning and effective information gathering and dissemination unit	Fully functioning and effective information gathering and dissemination unit

Sector specific performance indicators							
Programme performance indicator	Audited/Actual performance			Estimated performance	Medium-term targets		
	2006/07	2007/08	2008/09		2009/10	2010/11	2011/12
1.1 Number of research reports	7	5	3	6	10	10	10
1.2 Number of Research and Development initiatives supported				1	1	1	1

Provincial performance indicators									
Programme performance indicator	Audited/Actual performance				Estimated performance	Medium-term targets			
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13	
1.1	Number of Annual Economic Publications	1	1	1	1	1	1	1	1
1.2	Number of quarterly economic reviews			4	4	4	4	4	4
1.3	Number of capacity building partnerships with Universities			3	3	4	4	4	4

Quarterly targets for 2010/11									
Sector specific performance indicators									
Performance indicator	Reporting period	Annual target 2010/11	Quarterly targets						
			1st	2nd	3rd	4th			
1.1	Number of research reports compiled	10	2	2	3	3			
1.2	Number of Research and Development initiatives supported	1							1

Provincial performance indicators									
Performance indicator	Reporting period	Annual target 2010/11	Quarterly targets						
			1st	2nd	3rd	4th			
1.1	Number of Annual Economic Publications	1							1
1.2	Number of quarterly economic reviews	4	1	1	1	1			
1.3	Number of capacity building partnerships with Universities	3		1					1



SUB-PROGRAMME 5.3 KNOWLEDGE MANAGEMENT

With regard to Knowledge Management, the main focus will be to translate the Knowledge Management Strategy to enable the Department to be a learning organisation. This will be done through the resource centre as a hub of relevant economic information for sharing. Furthermore, appropriate steps will be undertaken to ensure that institutional knowledge is shared as part of organisational learning. This will be achieved through the refurbishment of the Resource Centre to capture, store, and share relevant economic data with all in the Department. In addition, the unit will facilitate the formation of the Department's learning network sessions where experienced staff members from all levels of the organisation will be encouraged to share their experiences. A strategic initiative will be to facilitate the development of appropriate tools for easy information sharing through the Resources Centre and other knowledge management systems i.e. e-filing, content management, livelink etc.

The Department will ensure that it has a fully functioning Resource Centre, e-filing system and content management system in place to deliver on its mandate of improved service delivery.

Strategic Objective	Strengthening institutional governance for improved service delivery
Objective Statement	To strengthen the institutional governance for improved service delivery through development and maintenance of knowledge management systems to capture, store and disseminate information for organisational learning
Baseline	Enterprise Content Management (Livelink)
Justification	Enabler for economic development
Links	Provincial Economic policies and strategies developed and implemented to achieve sustainable economic development

Strategic objective annual targets for 2010/11							
Strategic objective (outcome indicator)	Audited/Actual performance			Estimated performance	Medium-term targets		
	2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
1.1 Level of staff awareness increased				2009/10	2010/11	2011/12	2012/13
				50% of staff informed and effective – to be measured by internal annual survey	60% of staff informed and effective – to be measured by internal annual survey	70% of staff informed and effective – to be measured by internal annual survey	

Sector specific performance indicators							
Programme performance indicator	Audited/Actual performance			Estimated performance	Medium-term targets		
	2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
1.1 Number of provincial economic intelligence reports produced				2009/10	2010/11	2011/12	2012/13
				1	4	4	4

Provincial performance indicators									
Programme performance indicator	Audited/Actual performance				Estimated performance	Medium-term targets			
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13	
1.1 Fully functioning resource centre				Refurbishing of the resource centre	100% functioning resource centre	100% functioning resource centre	100% functioning resource centre		
1.2 Fully functioning e-filing in accordance with Provincial guidelines					Establishment of e-filing system within the Department	Capacitation of the Department to be able to use the system	100% functional e-filing system		
1.3 Fully functioning content enterprise management through livelink					Establishment of enterprise content management i.e. Livelink	Capacitation of the Department to be able to use Livelink	100% functional Livelink system		
1.4 Number of learning networks facilitated				2	4	4	4		4

Quarterly targets for 2010/11									
Sector specific performance indicators									
Performance indicator	Reporting period	Annual target 2010/11	Quarterly targets						
			1st	2nd	3rd	4th			
1.1 Number of economic intelligence reports produced	Quarterly	4	1	1	1	1			

Provincial performance indicators									
Performance indicator	Reporting period	Annual target 2010/11	Quarterly targets						
			1st	2nd	3rd	4th			
1.1 Fully functioning resource centre	Quarterly	100% functioning resource centre	100% functioning resource centre	100% functioning resource centre	100% functioning resource centre	100% functioning resource centre			
1.2 Fully functioning e-filing in accordance with Provincial guidelines	Annually	Establishment of e-filing system within the Department							Establishment of e-filing system within the Department
1.3 Fully functioning content enterprise management through Livelink	Annually	Establishment of enterprise content management i.e. Livelink							Establishment of enterprise content management i.e. Livelink
1.4 Number of learning networks facilitated	Quarterly	4	1	1	1	1			1

SUB-PROGRAMME 5.4 MONITORING AND EVALUATION

Strategy 1: Performance monitoring through Project Executive Dashboard

Indicator Development

Any assessment of outputs can only be possible if the Department has the Performance Monitoring and Evaluation System or if the current Project Executive Dashboard is enhanced to enable it to also capture a credible beneficiary database. This will enable the Department to collect statistical data on the following:

- Race, gender, age, geographical area, education level (skills set), disability etc. of the beneficiary;
- Credible, validated, timely information on outcomes and also on inputs, budget, activities, and outputs; and
- The national target, the baseline, the data set used, the data provider, frequency of reporting, data quality officer, and minimum requirements for performance assessment, of each indicator
- Data must be accurate and trustworthy and must conform to SASQA 8 dimensions i.e. relevancy, accuracy, timeliness, accessibility, interpretability, coherence, methodological soundness, and integrity.

The Department of the Premier is currently trying to enhance the Executive Dashboard to also be a Performance Monitoring and Evaluation System for all PGWC programmes and projects. To this end PGWC has put a moratorium on any process that seeks to buy new information systems, until the enhancement of the dashboard is finalised. The monitoring of the Department's project will then be implemented through the Executive Project Dashboard.

The Executive Projects Dashboard

The Executive Project Dashboard is a project tracking performance monitoring system. It will be implemented by the Department in order to closely monitor the progress of departmental projects. Programme managers are responsible for the loading and updating of their projects and budgets, and the system will enable the HOD, Minister, and Premier to keep track of progress and to be alerted to challenges and delays timeously. The Dashboard will be updated regularly and will form the basis of progress discussions at Departmental Top Management with the Minister on a bi-weekly basis. It will also provide quarterly reports for discussion with the Minister and the Premier. The system will effectively replace the Departmental Operational Performance Management (DOPM) system that the Department has been using for the past 5 years. The Executive Dashboard will be implemented through the following activities:

Strategy 1.2 Outcome performance monitoring will be undertaken through carefully selected critical outputs, which will be consistently assessed in all programmes, on the basis of the following criteria:

- Reach: accessibility by all citizens of the Western Cape;
- Effectiveness: Does the intervention address the problem? (with speed, quantity and scale in terms of targets);
- Efficiency: Are interventions implemented in the most cost-effective way i.e. "doing more with less" in the light of budget constraints? (value for money)? whether the money is used in a way that exploits existing economies of scale (e.g. making use of industry training facilities);
- Relevance: Is the project targeting able to prioritise the correct beneficiary?
- Sustainability: Is there need of the project beyond its time frames? and
- Outcome: Are there preliminary outcomes?

This will be conducted through either the enhancement of the Project Executive Dashboard or the new Department Performance Monitoring and Evaluation System.

Strategy 2: Programme Outcome Evaluation

The focus here will be on the evaluation of funded programmes by the Department. It does not matter who the implementing agent is, because we are only interested in whether that which was implemented resulted in the desired outcome. All the programmes of the Department will be evaluated on an annual basis. The main outcomes of the Department will be around new enterprise creation, expansion of enterprises, sustainability of enterprises and the contribution to job creation.

Strategy 2.1 Evaluation of the Department's Implementing Agencies

The greater part of the work of the Department is implemented by agencies and its success depends on the effectiveness of these agencies. The M&E unit will also conduct evaluations of the effectiveness of Department's implementing agencies. This will enhance the achievement of departmental outcomes.

Strategy 3: Impact Evaluation Using Existing Data

Upon completion of a project, an impact evaluation will be conducted by an outside organisation (defined as outside of Government or the implementing agency). The results of the evaluations of selected projects speak to the broader impact on communities, households, clusters of firms, and other beneficiary groups that might not be easily delineated to fit into any one of the above categories. More generally, however, the analysis coming out of the implementation phase will tend to raise further questions, which will typically need answering



before an overall assessment of the success or failure of the policy intervention can be made. From an evaluation perspective, the post-implementation phase is crucial, as it is during this phase that a comprehensive evaluation will become possible for the first time since the inception of the project.

Strategy 4: Building Monitoring and Evaluation Capacity in the Department

There is a serious shortage of capacity to undertake monitoring and evaluation within the Department. However, there is emerging talent in the monitoring and evaluation area. Much of the available capacity is currently located in the region's tertiary institutions. Tapping into this pool of talent will prove vital in terms of strengthening this capacity. Specific attention will be given to the following areas:

- Sourcing dedicated funding for setting up an Evaluation Unit within the PGWC: The purpose of the unit will be the management of day-to-day monitoring and evaluation up to the end of the implementation phase of projects. Since part of the objective is to facilitate a flow of information between implementing agencies, project directors, and the PGWC, it makes sense to have a dedicated team overseeing these day-to-day activities within the PGWC.

The unit might also lead the process of commissioning outside organisations to do the independent impact evaluations in the post-implementation phase.

- Engaging with tertiary institutions to solicit relevant training for public officials in the area: UCT, for example, offers a new Masters specialisation in the area of Behavioural Economics, of which a substantial component is dedicated to offering training in conducting quantitative project evaluations. Graduates from this Programme could be the first port of call for populating the new evaluation unit.
- The provision of scholarships for public officials who choose to specialise in this field: This is key to building up a cadre of development economists with specialist skills in monitoring and evaluation. Talented students often face the tough choice of specialising in a field that comes with money (many of UCT's specialist Economics Masters degrees come with scholarships) or pursuing what truly interests them and forgoing a lucrative scholarship. Partnering with tertiary institutions that can deliver students with these much needed skills will require a funding commitment on the part of the PGWC.

Strategic Objective	Strengthening institutional governance for improved service delivery	
Objective Statement	To strengthen institutional governance for improved service delivery through conducting 100 Monitoring and 20 evaluations across the Department's programmes and projects, thereby facilitating organisational learning.	
Baseline	5 evaluation reports and 20 monitoring reports	
Justification	To ensure implementation of policies and plans	
Links	Provincial Economic policies and strategies developed and implemented to achieve sustainable economic development	

Strategic objective annual targets for 2010/11							
Strategic objective (outcome indicator)	Audited/Actual performance			Estimated performance	Medium-term targets		
	2006/07	2007/08	2008/09		2009/10	2010/11	2011/12
1.1 learning organisation results utilised throughout the Department				2009/10	100% learning results utilised throughout the DEDAT	100% learning results utilised throughout the Department	100% learning results utilised throughout the Department

Sector specific performance indicators							
Programme performance indicator	Audited/Actual performance			Estimated performance	Medium-term targets		
	2006/07	2007/08	2008/09		2009/10	2010/11	2011/12
1.1 Number of monitoring reports produced			13	20	20	20	20
1.2 Number of evaluation reports produced		1	2	5	4	4	4

Provincial performance indicators							
Programme performance indicator	Audited/Actual performance			Estimated performance	Medium-term targets		
	2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
1.1	Functional Management of the Departmental beneficiary database for monitoring and evaluation			Establishment of the beneficiaries	100% functional database	100% functional database	100% functional database
1.2	Quarterly Project Dashboard Analysis			Quarterly Reports	4 Quarterly Reports	4 Quarterly Reports	4 Quarterly Reports
1.3	Number of capacity building partnerships with universities				2	3	4

Quarterly targets for 2010/11							
Sector specific performance indicators	Performance indicator	Reporting period	Annual target 2010/11	Quarterly targets			
				1st	2nd	3rd	4th
1.1	Number of monitoring reports produced	Quarterly	20		10		10
1.2	Number of evaluation reports produced	Quarterly	5		3		2

Provincial performance indicators						
Performance indicator	Reporting period	Annual target 2010/11	Quarterly targets			
			1st	2nd	3rd	4th
1.1	Functional Management of the Departmental beneficiary database for monitoring and evaluation	Establishment of the beneficiaries	100% functional database and quarterly update	100% functional database and quarterly update	100% functional database and quarterly update	100% functional database and quarterly update
1.2	Quarterly Project Dashboard Analysis	4 quarterly reports	1	1	1	1
1.3	Number of capacity building partnerships with Universities	2		1		1

**Reconciling performance targets with the Budget and MTEF
Expenditure estimates
Economic Planning**

Sub-Programme	Audited outcomes					Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11		2011/12	2012/13	
R thousand									
1. Policy and Planning		1		598	717	953	1 233		
2. Research and Development	2 110	2 570	3 584	5 796	3 514	3 751	3 947		
3. Knowledge Management		1	637	1 093	270	330	360		
4. Monitoring and Evaluation		340	850	1 537	1 859	2 099	2 346		
5. Management EP		350	774	1 226	3 527	3 764	3 980		
Subtotal	2 110	3 262	5 845	10 250	9 887	10 897	11 866		
Economic classification									
Current payments	2 110	3 262	5 246	9 850	9 847	10 797	11 766		
Compensation of employees		1 261	2 509	3 984	7 548	8 097	8 586		
Goods and services	2 110	2 001	2 737	5 866	2 299	2 700	3 180		
of which:									
Assets<R5000		33	33	31	35	35	35		
Audit Cost External									
Communication		50	51	30	81	95	120		
Cons/prof Business and advisory services									
Agency and support/outsourced services	2 110	1 494	1 725	5 225	1 586	1 855	2 215		
Entertainment		1	2	6	26	30	35		
Inventory: Stationery and Printing		7	43	24	31	40	50		
Lease Payments			73	15	58	75	90		
Transport provided departmental activity									
Travel and subsistence		29	46	273	280	290	300		
Training and staff development		112	103		20	50	50		
Venues and facilities		5	17		20	25	30		
Printing and publications									
Other		270	644	262	162	205	255		

Sub-Programme	Audited outcomes					Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11		2011/12	2012/13	
R thousand									
Transfers and subsidies to:			500	300					
Provinces and municipalities									
Departmental agencies and accounts			500	300					
Universities and technikons									
Public corporations and private enterprises									
Foreign governments and international organisations									
Non-profit institutions									
Households									
Payments for capital assets			99	100	40	100	100	100	100
Buildings and other fixed structures									
Machinery and equipment			99	100	40		100		100
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
Payments for financial assets									
Total	2 110	3 262	5 845	10 250	9 887	10 897	11 866		

Performance and expenditure trends

- The impact of reduced funding is being felt throughout the Department, but particularly in this Programme. This is because part of this Programme is relatively new (Economic Planning and Monitoring and Evaluation) and because it has been significantly understaffed and under-resourced since its inception. Considerable monitoring and evaluation of departmental programmes and projects was introduced in 2009/10 and will continue in 2010/11. Economic Planning, as a strategic support unit, was established in 2009/10, and undertook its responsibilities without any changes to the resources of the Programme.
- In an attempt to address the shortfall, the Department has changed its intervention strategy quite significantly. The approach followed for years was to outsource all research projects. The Department has undertaken a process of capacitating the research unit with a high calibre of economists, so that they can conduct research internally. This new approach is going to save resources and more importantly will ensure that research is prioritised and during the implementation phase.
- With regard to skills development, the Department will form partnerships with universities to capacitate the current staff, and also to shape the economic research that is currently undertaken.



PROGRAMME 6: TOURISM, ARTS AND ENTERTAINMENT

Purpose

To grow, promote and transform the tourism, arts and entertainment sectors in the Western Cape for the benefit of all citizens.

Programme structure

The Programme is structured as follows:

- Sub-programme 6.1: Management Tourism, Arts and Entertainment
- Sub-programme 6.2: Tourism Growth
- Sub-programme 6.3: Tourism Participation
- Sub-programme 6.4: Destination Marketing Organisation
- Sub-programme 6.5: Commercial Arts and Entertainment

Public sector interventions in the tourism industry are effected through the activities of development, marketing and regulation. While tourism development and regulation is done in-house, the Provincial Government of the Western Cape has outsourced the implementation of its tourism marketing activities to the public entity which serves as the Destination Marketing Organisation, trading as Cape Town Routes Unlimited (CTRU). CTRU was established by the Provincial Western Cape Tourism Act, 2004 (Act 1 of 2004) and is legally constituted as a public entity. The Programme provides strategic oversight and funding to CTRU in order for it to deliver on tourism marketing, promotion and market intelligence.

The Programme facilitates sector development by keeping firms well informed about developments in their sectors.

It provides strategic oversight and funding to the following SPVs (Special Purpose Vehicles) for the Commercial Arts and Entertainment sectors:

- The Cape Craft and Design Institute (CCDI), for the craft sector;
- The Visual Arts Network of South Africa (VANSA) for the visual arts sector;
- The Cape Film Commission (CFC) for the film sector;
- The Cape Music Industry Association (Cape Mic) for the music sector.; and
- The Performing Arts Network of South Africa (PANSA) for the performing arts sector.

Situational Analysis

Performance delivery environment

SUB-PROGRAMME 6.1 MANAGEMENT TOURISM, ARTS AND ENTERTAINMENT

Strategy 1: Single Tourism Destination Strategy

The Western Cape Tourism, Arts and Entertainment Partnership is the institutional mechanism driving stakeholder engagements. It is the cooperative governance body developing strategy, policy and key strategic thrusts for each of the sectors. Most importantly, it will ensure cost effective use of resources and leveraging of effort and funding across the sectors. A review of institutional arrangements at provincial and local level will be undertaken to ensure alignment and delivery against a single tourism destination strategy.

Integrated planning for each sector will be undertaken for each sector, as well as, the relevant research.

Strategic Objective	To achieve global best practice in public sector organisation delivery.
Objective Statement	To provide effective, integrated and cooperative planning for the tourism, arts and entertainment sectors by maintaining the WC Tourism, Arts and Entertainment Partnership and by establishing 6 sector qualitative and quantitative profiles of the sectors to ensure improved interventions and to measure its impact upon the economy.
Baseline	No baseline
Justification	To provide a platform for the Department to shape and deliver the most cost effective and impactful interventions by providing strategic support for the Tourism, Arts and Entertainment sectors through policy & strategy development, research, legislation and monitoring and evaluation. Policy and strategy development, and research for the 6 sectors are critical for firms and citizens to be effective players in the global economy.
Links	Medium Term Strategic Framework, MEDES, Workforce Development Strategy, JIPSA, National Skills Development Framework, Small Business Act, Western Cape Tourism Development Framework.

Strategic objective annual targets for 2010/11						
Strategic objective (outcome indicator)	Audited/Actual performance			Estimated performance	Medium-term targets	
	2006/07	2007/08	2008/09		2010/11	2011/12
1.1 Percentage of stakeholders successfully engaged in the WC, Tourism, Arts & Entertainment Development Partnership				80%	85%	90%
1.2 Qualitative and quantitative profiles for Tourism, Arts and Entertainment				2	2	2

Performance indicators and annual targets for 2010/11						
Programme performance indicator (output indicators)	Audited/Actual performance			Estimated performance	Medium-term targets	
	2006/07	2007/08	2008/09		2010/11	2011/12
1.1 Number of members engaged in the WC Tourism, Arts & Entertainment Partnership				700	750	800
1.2 Number of Strategic Support interventions for the Tourism, Arts & Entertainment industries	Draft WC Tourism Development Framework	Updated WC Tourism Development Framework	WC Tourism Development Framework reviewed and updated	2 annually updated Sector Strategies	2 annually updated Sector Strategies	2 annually updated Sector Strategies
	3 research papers completed	3 research papers completed	2 research papers completed	2 research papers (baseline)	2 research papers	2 research papers
		M&E system in line with Departmental M&E System		2 Outcome indicators monitored	All Outcome indicators monitored	All Outcome indicators monitored and evaluated

Quarterly targets for 2010/11						
Provincial performance indicators						
Performance indicator (output indicator)	Reporting period	Annual target 2010/11	Quarterly targets			
			1st	2nd	3rd	4th
1.1 Number of members engaged in the WC Tourism, Arts & Entertainment Partnership	Quarterly	700	60	140	140	360
1.2 Number of Strategic Support interventions for the Tourism, Arts & Entertainment industries	Quarterly	2 annually updated Sector Strategies				2
	Quarterly	2 research papers (baseline)				2
	Quarterly	2 Outcome indicators monitored				2

SUB-PROGRAMME 6.2 TOURISM GROWTH

Strategy 1: Tourism Development

The Tourism Growth Sub-committee will meet on a bi-monthly basis to oversee strategic implementation of key initiatives. It will drive implementation of the WC Tourism Development Plan. The WC Tourism Development Plan will implement large scale projects which have leveraged off co-funding from other sources. Initiatives similar to development at the Southernmost Tip of Africa will be undertaken.

Strategy 2: Tourism Destination Global Competitiveness

Interventions in Tourism Destination Global Competitiveness are:

- Implement quality assurance of tourism products and iconic attractions as well as a quality assurance inspectorate;
- Facilitate tourism road signage to enhance access to the destination;
- Promote a safe and secure environment for citizens in general and tourists and tourism businesses in particular, and manage the perceptions of crime; and
- Implement social tourism to ensure that the host community is friendly and welcoming to tourists.

Strategic Objective	The achievement of above average sustainable economic growth [measured by output and by value] which gives rise to significant numbers of new sustainable employment opportunities.
Objective Statement	To develop the destination to globally competitive standards by facilitating R50 m value of infrastructure invested, 100% establishments maintained to minimum standard.
Baseline	No baseline.
Justification	Development and enhancement of the destination is fundamentally linked to tourism destination marketing in terms of ensuring that the visitor experience is positive.
Links	Medium Term Strategic Framework, MEDS, Workforce Development Strategy, JIPSA, National Skills Development Framework, Small Business Act, Western Cape Tourism Development Framework.

Strategic objective annual targets for 2010/11						
Strategic objective (outcome indicator)	Audited/Actual performance			Estimated performance	Medium-term targets	
	2006/07	2007/08	2008/09		2010/11	2011/12
1.1 Percentage of establishments maintaining minimum standards				70%	80%	90%
1.2 Victim support unit customer satisfaction index				60%	70%	80%
1.3 Value of infrastructure investment					R5 million	R10 million

Performance indicators and annual targets for 2010/11							
Provincial performance indicators	Audited/Actual performance			Estimated performance	Medium-term targets		
	2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
1.1 Number of infrastructure projects supported	6	3	6	0	1	2	3
1.2 Number of individuals/businesses supported to improve the quality of the destination	1 959	1 049	1 603	2 272	1 286	1 338	1 388

Quarterly targets for 2010/11						
Provincial performance indicators	Reporting period	Annual target 2010/11	Quarterly targets			
			1st	2nd	3rd	4th
1.1 Number of infrastructure projects supported	Annually	1				1
1.2 Number of individuals/businesses supported to improve the quality of the destination	Quarterly	1 286	251	252	351	432

SUB-PROGRAMME 6.3 TOURISM PARTICIPATION

Strategy 1: Tourism Human Resources Development

The Tourism HRD Sub-committee will meet on a bi-monthly basis to oversee strategic implementation of key initiatives. A provincial tourism baseline will be established, aligned to the national Tourism HRD Strategy.

Interventions are:

- Tourism Job Shadowing and Career Awareness RoadShows, will be implemented in partnership with all stakeholders to encourage entry into the tourism industry;
- The collective Bursary Programme will assist full-time students to obtain a tourism qualification;
- Local Internships will assist with the placement of students studying Tourism at HEI and FET institutions. These placements will assist students to gain on-the-job exposure. Employers are not required to provide income to the students, but where possible minimum stipends are provided by host employers;
- The International Internship Programme, in partnership with the national Tourism Department, will help unemployed graduates with Tourism qualifications to be recruited and selected for experiential training at top hotels in the United States of America; and
- National Tourism Service Excellence Training will be implemented, in partnership with the Tourism Business Council of South Africa, to provide frontline training at service touch points in the tourism industry.

Strategy 2: Tourism Enterprise Development

The Participation in Tourism Sub-committee will meet on a bi-monthly basis to oversee strategic implementation of key initiatives. A provincial tourism baseline will be established, aligned to the national Tourism sector codes.

Tourism Enterprise Development is a tiered support strategy, which addresses the needs of the full spectrum of entrepreneurs in the industry - from entry level and necessity entrepreneurs to established employment creating enterprises. Implementation happens in partnership with the Tourism Enterprises Partnership (TEP) and the RED Door. It comprises:

- Tourism Awareness;
- Enterprise Development 101 (generic implementation through the RED Door);
- Tourism Enterprise Development 201 (tourism specific, including work-place based training);
- Tourism Enterprise Development 202 (tourism specific, including work-place based training);
- The Tourism Mentorship Programme;
- The Tourism Helpdesk Agents; and
- With regard to transformation, a provincial baseline study as well as provincial BBBEE workshops and networking sessions, to respond to the national tourism sector code.

Strategy 3: Tourism Regulation

We will continue to register tourist guides and to provide training for new and existing guides. There will be a particular focus on illegal guiding, with increased proactive awareness and engagement to ensure that any person conducting a tour is legally registered as a tour guide.

Strategic Objective	The achievement of a situation in which opportunity exists of participating in the economy, through employment and business ownership, for all who seek such opportunity
Objective Statement	To facilitate economic empowerment of individuals/small businesses by facilitating/sustaining 8617 jobs, 1 666 businesses established and 2 573 businesses expanded. To achieve a regulatory environment where 100% of all tourist guides are registered/regulated.
Baseline	Number of jobs facilitated/sustained = 0. Number of businesses established = 0. Number of businesses expanded = 0.
Justification	This strategic objective contributes to encouraging more individuals to start their own businesses or expand their own businesses. It also contributes to enabling individuals to either become employed or achieve improved employment
Links	Medium Term Strategic Framework, MEDES, Workforce Development Strategy, JIPSA, National Skills Development Framework, Small Business Act, Western Cape Tourism Development Framework

Strategic objective annual targets for 2010/11							
Strategic objective (outcome indicator)	Audited/Actual performance			Medium-term targets			
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
1.1 Number of jobs facilitated/sustained						1 915	2 035
1.2 Number of businesses established						368	400
1.3 Number of businesses expanded						575	600
1.4 Percentage of tourist guides registered					50%	60%	70%

Performance indicators and annual targets for 2010/11									
Provincial performance indicators									
Programme performance indicator (output indicator)	Audited/Actual performance				Estimated performance		Medium-term targets		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13		
1.1 Number of people trained in Tourism	281	297	183	585	1 294	1 415	1 537		
1.2 Number of new SMMEs developed	3 014	1 995	3 635	4 813	3 750	3 950	4 475		
1.3 Number of existing SMMEs supported	693	488	472	1 860	1 150	1 200	1 360		
1.4 Number of individuals registered/regulated	1 352	1 585	1 535	2 650	2 800	2 900	3 000		

Quarterly targets for 2010/11									
Provincial performance indicators									
Performance indicator (output indicator)	Reporting period	Annual target 2010/11	Quarterly targets						
			1st	2nd	3rd	4th			
1.1 Number of people trained in Tourism	Quarterly	1 294	120	387	392	395			
1.2 Number of new SMMEs developed	Quarterly	3 750	575	1 125	1 125	925			
1.3 Number of existing SMMEs supported	Quarterly	1 150	180	320	395	255			
1.4 Number of individuals registered/regulated	Quarterly	2 800	600	700	800	700			



SUB-PROGRAMME 6.4 DESTINATION MARKETING ORGANISATION

Strategy 1: Tourism Marketing

Key interventions are:

Maximise international leisure marketing

International leisure travel has scope for growth in emerging and established market segments.

Interventions promote Cape Town and the Western Cape as an international tourism destination of choice for leisure tourism from Europe, and North and South America, as well as emerging markets from Africa, Asia and the Middle East.

Deepen domestic leisure marketing

Domestic leisure travel has huge potential for growth. Interventions are focused on increasing domestic visitor trips. Interventions for international and domestic leisure marketing will be focussed on:

- Maximising benefits of the 2010 FIFA WORLD CUP™;
- Leveraging off the marketing activities of South African Tourism; and
- Using targeted direct competitive consumer advertising in terms of marketing and media channels, with a greater emphasis on new media.

Maximise business tourism opportunities and boost Events
The 2006/07 Convention Delegate Tracking Study indicates that 70% of delegates attending conventions, congresses and exhibitions in Cape Town spend in excess of R13 thousand per person. Delegates state that they will definitely revisit the destination within the next five years.

International business tourism will be focused on increased bidding to secure international conferences, meetings and incentive business to the destination. Sports tourism, as a niche market, will receive major attention.

The Events' Support Strategy will:

- Increase facilitation and support to events originating at the destination;
- Develop and meaningfully engage in the planning of events;
- Grow and promote a portfolio of events that support the Cape Town and Western Cape's brand, values and needs, and enhance the destination image; and
- Streamline stakeholder and community partner roles and responsibilities to better serve events.

Redistributive marketing

With the Tourism Gateways and E-business platform, Cape Town Routes Unlimited (CTRU) will implement provincial redistributive marketing interventions to spread the benefits of tourism throughout the province.

Strategic Objective	The achievement of above average sustainable economic growth [measured by output and by value] which gives rise to significant numbers of new sustainable employment opportunities.
Objective Statement	To open new markets and generate demand from business and consumers by 459,764 international arrivals, R6bn Foreign Direct Spend and 2,216,273 domestic visitors attributed to CTRU's marketing efforts.
Baseline	2008/2009: Total international arrivals to the Western Cape was 1,630,611 of which 86,422 is attributed to the marketing efforts of CTRU. 86,422 translates into 3 000 direct jobs and 4 300 indirect jobs Total domestic visitors to the Western Cape was 4,100,000 of which 410,000 is attributed to the marketing efforts of CTRU. Foreign Direct Spend in 2008 was R20.8 bn of which R1.1 bn visitor spend is attributed to the marketing efforts of CTRU. [Note: the calculation of visitor arrivals and Foreign Direct Spend attributed to the marketing efforts of CTRU are conservative calculations in line with international standards for calculating the performance of destination marketing organisations.
Justification	Tourism is one of the most labour intensive economic sectors in the Province. Annually, international tourists generate R20.8 bn in foreign direct spend.
Links	To this end, marketing of the destination is of paramount importance to generate tourism demand. Medium Term Strategic Framework, MEDS, Workforce Development Strategy, JIPSA, National Skills Development Framework, Small Business Act, Western Cape Tourism Development Framework.

Strategic objective annual targets for 2010/11		Audited/Actual performance			Medium-term targets			
		2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
1.1	Number of international arrivals to the Western Cape			1 630 611	1 630 611	1 646 917	1 679 855	1 730 251
	Number of international arrivals attributed to the marketing efforts of CTRU			86 422	86 422	87 287	89 032	91 703
1.2	International Foreign Direct Spend			R20.8bn	R20bn	R21.3bn	R22.04bn	R22.8bn
	International Spend attributed to the efforts of CTRU			R1bn	R1bn	R1.1bn	R1.2bn	R1.2bn
1.3	Number of domestic visitors	3 200 000	4 500 000	4 100 000	4 100 000	4 182 000	4 265 640	4 393 609
	Number of domestic visitors attributed to the marketing efforts of CTRU	320 000	450 000	410 000	410 000	418 200	426 564	439 360

Performance indicators and annual targets for 2010/11

Provincial performance indicators

Programme performance indicator (output indicator)	Audited/Actual performance				Estimated performance	Medium-term targets			
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13	
	1.1	15	10	20		14	11	18	20
	R341 m	R306m	R244m	R280m	R210m	R360m	R400m		
	32 300	29 350	19 600	25 000	15 000	33 000	36 000		
1.2	6	17	9	5	4	5	5		
			R62m	R34m	R27m	R34m	R34m		

Quarterly targets for 2010/11

Provincial performance indicators

Performance indicator (output indicator)	Reporting period	Annual target 2010/11	Quarterly targets			
			1st	2nd	3rd	4th
1.1	Quarterly	11	2	3	3	3
	Quarterly	R210m	R50m	R50m	R55m	R55m
	Quarterly	15 000	3 750	3 750	3 750	3 750
1.2	Quarterly	4	1	1	1	1
	Quarterly	R27m	R6.75m	R6.75m	R6.75m	R6.75m

SUB-PROGRAMME 6.5 COMMERCIAL ARTS AND ENTERTAINMENT

Interventions to develop and grow the commercial arts and entertainment sectors, will focus on the following areas:

- Sector development initiatives for craft, film, music, performing and visual arts; and
- Skills and enterprise development and the development of access to local and international markets for the craft and film sectors.

Sector Development

Sector development programmes will be implemented by the SPVs. Sector development aims to provide informational support, sector advice, and training to the existing membership base. It also aims to increase the number of entrepreneurs and businesses who utilise the services of the SPVs. The increase in membership will be indicative of the extent of economic inclusion, participation, maturity and stability of business activity being achieved within these sectors. This initiative serves to provide cohesion and value chain co-ordination to a myriad of micro-, small- and medium-sized businesses, to support the growth and expansion of these sectors. A refined outcome of this Programme will be to track and monitor the value of additional funds that the SPVs are able to leverage from other stakeholders, donors and funders as a result of Government financial support.

In the music, performing and visual arts sectors, sector development will be the primary initiative. This Programme will focus on building, developing and supporting musicians, performing and visual artists to understand the commercial potential of their products. It will assist them to understand supply and demand within their respective industries.

Strategy 8: Craft

Skills and enterprise development in Craft

Elements of this Programme will include a tiered support initiative catering for start-up, emerging, established and mature craft businesses, allowing for mobility up the value chain and a deepening and maturing of skills and business acumen. The craft mobile training initiative seeks to extend the

service influence and reach beyond the Metropole to crafters in rural and peri-urban areas. The craft innovation-training programme will assist crafters to develop aesthetic skills and to improve product design.

The development of local and international market access in Craft

Consistent support to the CCDI over a number of years has resulted in a fast maturing and cohesive craft sector within the Western Cape. The primary aim of this Programme will be to further deepen the maturity of craft businesses by preparing them to successfully access global markets. This will be done by providing export information and support, which will promote trade and provide an enabling environment to successfully match buyer with seller.

Strategy 9: Film

Skills and enterprise development in Film

Elements of this Programme will include a tiered support initiative catering for start-up, emerging and established and mature filmmakers and film companies, allowing for mobility up the value chain and a deepening and maturing of skills and business acumen. Film skills training in local content will seek to stimulate the development of a provincial filmmaking industry. This industry will develop local products and through which tell local stories. The film innovation training will focus on new media and animation products. It will provide for the upskilling of animators and new media specialists to cope with the worldwide demand.

The development of local and international market access in Film

The film industry has demonstrated remarkable economic growth over the last ten years and has managed, as a result of the impending 2010 initiative, to have weathered the economic downturn of last year. It is imperative that the Cape Film Commission is empowered to continue to aggressively market the Western Cape as a destination for the production of international big budget movies. They should be capacitated to continuously seek out new trade partners to make use of our production facilitation services.

Strategic Objective	The achievement of above average sustainable economic growth [measured by output and by value] which gives rise to significant numbers of new sustainable employment opportunities.
Objective Statement	To develop and grow firms in prioritised sectors by facilitating/sustaining 2 665 jobs, 497 businesses established, 1 084 businesses expanded, R3, 114,100,000 of trade and investment and R12, 505,000 funds leveraged.
Baseline	Number of jobs facilitated/sustained = 0. Number of businesses established = 0. Number of businesses expanded = 0.
Justification	The range of interventions offered to firms have a common purpose, namely to increase the number of sustainable jobs, to increase the number of new firms within the sector and to increase the expansion of firms. The interventions will differ in intensity, priority and content depending on the unique needs of the sector, and will (1) help established firms to help new suppliers to come into existence and to help other suppliers to expand through procuring preferentially, (2) offer supply side assistance to increasing firms' capacity to take advantage of demand side measures; (3) offer benchmarking services; (4) offer innovation and technology services; (4) increase the skills of targeted firms' management and employees; (5) facilitate sector development through keeping firms well informed about developments in their sectors; (6) increase the skills and experience of members of the workforce to increase their capacity to fill "skills gap" vacancies; (7) increase the skills and experience of low-skilled individuals to assist them to compete for employment effectively; (8) offer advice and services in all localities; (9) offer advice and services in localities in which per capita GRP is low; and (10) implement transformation programmes.
Links	Medium Term Strategic Framework, MEDS, Workforce Development Strategy, JIPSA, National Skills Development Framework, Small Business Act, Western Cape Tourism Development Framework

Strategic objective annual targets for 2010/11						
Strategic objective (outcome indicator)	Audited/Actual performance			Estimated performance	Medium-term targets	
	2006/07	2007/08	2008/09		2010/11	2011/12
1.1 Number of jobs facilitated/sustained				2009/10	637	654
1.2 Number of businesses established					127	120
1.3 Number of businesses expanded					255	267
1.4 Value of trade and investment			R1,25bn	R1,3bn	R702,7m	R602,7m
1.5 Number of funding leveraged					R2,185,000	R2,490,000

Performance indicators and annual targets for 2010/11

Provincial performance indicators

Programme performance indicator (output indicator)	Audited/Actual performance				Estimated performance	Medium-term targets		
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13
	1.1	Number of people trained in Craft	143	200		235	420	390
1.2	Number of people trained in Film	190	210	250	430	435	435	
1.3	Number of businesses assisted with proactive interventions in Craft	95	125	140	255	275	275	
1.4	Number of businesses assisted with proactive interventions in Film	100	130	160	255	255	275	
1.5	Number of businesses assisted with exports in Craft	95	120	140	197	200	205	
1.6	Number of investment and trade projects realised in Film	57	63	65	92	95	95	

10.2.2 Provincial performance indicators

Programme performance indicator (output indicator)	Audited/Actual performance				Estimated performance	Medium-term targets		
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13
	1.1	Number of Craft members	680	810		900	950	1 000
1.2	Number of Film members	770	820	850	900	950	1 000	
1.3	Number of Music members		100	200	800	850	900	
1.4	Number of Performing Arts members		300	900	1 000	1 050	1 100	
1.5	Number of Visual Arts members		200	600	1 000	1 050	1 100	
1.6	Number of economic sector indicator reports				4	4	4	

Quarterly targets for 2010/11						
Provincial performance indicators						
Performance indicator (output indicator)	Reporting period	Annual target 2010/11	Quarterly targets			
			1st	2nd	3rd	4th
1.1 Number of people trained in Craft	Quarterly	420		130	160	130
1.2 Number of people trained in Film	Quarterly	430		120	230	80
1.3 Number of businesses assisted with proactive interventions in Craft	Quarterly	255	70	95	80	10
1.4 Number of businesses assisted with proactive interventions in Film	Quarterly	255	20	70	115	50
1.5 Number of businesses assisted with exports in Craft	Quarterly	197	50	50	50	47
1.6 Number of investment and trade projects realised in Film	Quarterly	92		50	42	

Quarterly targets for 2010/11						
Provincial performance indicators						
Performance indicator (output indicator)	Reporting period	Annual target 2010/11	Quarterly targets			
			1st	2nd	3rd	4th
1.1 Number of Craft members	Quarterly	950	300	300	300	50
1.2 Number of Film members	Quarterly	900	300	200	200	200
1.3 Number of Music members	Quarterly	800	200	200	200	200
1.4 Number of Performing Arts members	Quarterly	1 000	400	300	200	100
1.5 Number of Visual Arts members	Quarterly	1 000	400	300	200	100
1.6 Number of economic sector indicator reports	Annually	4				4

**Reconciling performance targets with the Budget and MTEF
Expenditure estimates
Tourism Arts and Entertainment**

Sub-Programme	Audited outcomes				Adjusted appropriation			Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13			
R thousand										
1. Management Tourism	648	1 982	1 530	3 617	2 673	2 948	3 226			
2. Tourism Growth	2 825	9 977	10 411	6 631	6 795	7 193	7 564			
3. Tourism Participation	16 711	8 776	7 952	8 470	9 145	9 551	10 083			
4. Destination Marketing	22 947	25 831	31 826	43 043	34 190	35 200	36 200			
5. Commercial Arts and Entertainment	11 663	14 346	13 623	9 629	9 422	10 091	10 706			
Subtotal	54 794	60 912	65 342	71 390	62 225	64 983	67 779			
Economic classification										
Current payments	15 225	18 915	20 144	18 073	20 255	21 963	23 739			
Compensation of employees	4 263	6 213	8 842	10 647	12 122	12 698	13 696			
Goods and services	10 962	12 702	11 302	7 426	8 133	9 265	10 043			
of which:										
Assets<R5000	106	180	307	325	12	35	55			
Audit Cost External										
Communication	196	270	303	177	191	230	275			
Cons/prof Business and advisory services	6 884	8 138	5 980	5 506	6 715	7 674	8 245			
Agency and support/outsourced services			1							
Entertainment	6	6	8	32	26	30	30			
Inventory: Stationery and Printing	143	86	134	87	97	120	140			
Lease Payments	1 051	1 131	1 188	78	120	130	150			
Transport provided departmental activity		235								
Travel and subsistence	679	1 187	702	458	247	260	300			
Training and staff development	51	67	39	65	108	120	140			
Venues and facilities	416	225	511	96	100	100	100			
Printing and publications										

Sub-Programme	Audited outcomes				Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13
R thousand								
Other	1 430	1 177	2 129	602	517	566	608	
Transfers and subsidies to:	39 080	41 256	44 817	53 117	41 860	42 870	43 870	
Provinces and municipalities	494							
Departmental agencies and accounts	27 050	28 795	35 317	45 093	35 040	36 650	37 650	
Universities and technikons	650	150	150	368	140	140	140	
Public corporations and private enterprises	1 800	341		1 800				
Foreign governments and international organisations								
Non-profit institutions	9 086	11 970	9 350	5 856	6 670	6 070	6 070	
Households					10	10	10	
Payments for capital assets	486	740	349	200	110	150	170	
Buildings and other fixed structures								
Machinery and equipment	486	711	349	200	110	150	170	
Cultivated assets								
Software and other intangible assets		29						
Land and subsoil assets								
Payments for financial assets	3	1	32					
Total	54 794	60 912	65 342	71 390	62 225	64 983	67 779	

Performance and expenditure trends

- The 2010/11 financial year is reflective of significant budget cuts to programmatic activity. This has resulted in reduced target setting in Tourism, Arts and Entertainment as a whole. Huge impactful projects, which could be realised in the Western Cape Tourism Development Plan and Tourism Marketing, have been reduced.

PART C : Links to Other Plans

3. Links to the long-term infrastructure and other capital plans

Not applicable

4. Conditional grants

Not applicable

5. Public Entities

The Western Cape Trade and Investment Promotion Agency (WESGRO)

- The modernisation review of the public entities within the Province has been undertaken, which may result in a status quo change of the role of Wesgro, the official Trade and Investment Promotion Agency;
- The City of Cape Town, major funder and partner, is conducting a review of its role within Wesgro, which may affect the funding model of the public entity
- Evaluation of the public entity and its performance is conducted via:
 - Representation on the Board as Ex-Officio Member
 - A detailed performance report received from Wesgro on a quarterly basis
 - Funding transferred in tranches, based on evaluation of quarterly reports
 - A minimum of one quarterly meeting between the Department and Wesgro to discuss performance, ensure alignment between Departmental and Wesgro's plans, provide assistance where relevant, and address challenges.

The Destination Marketing Organisation (DMO)

DMO will be refocused to deliver on a tourism marketing strategy for the destination as a whole. This will include co-delivery by Regional Tourism Organisations on certain aspects of the strategy such as visitor membership services. Co-funding will also be leveraged from Local Government, so that the DMO can deliver on its key provincial functions in terms of tourism marketing e.g. international business tourism.

The Department evaluates the DMO on a quarterly basis with regard to its quarterly performance reporting. This is a written evaluation that is thoroughly assessed and discussed with the public entity. In addition, the Programme Manager is a member of the Board.

6. Public-private partnerships

Not applicable

**ANNUAL PERFORMANCE PLAN:
ECONOMIC DEVELOPMENT AND TOURISM**

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